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# ***Daily Report***

## **East Asia**

**FBIS-EAS-95-047**  
**Friday**  
**10 March 1995**

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## East Asia

FBIS-EAS-95-047

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## Japan

**UN Secretary General Urges Role as Peacemaker**  
*OW1003084395 Tokyo KYODO in English 0758 GMT  
10 Mar 95*

[FBIS Transcribed Text] Tokyo, March 10 KYODO—The United Nations on Friday [10 March] used the 50th anniversary of a U.S. air raid on Tokyo in World War II to "regenerate the vision" of a more humane and peaceful world.

UN Secretary General Butrus Butrus-Ghali said in a message at the Tokyo Metropolitan Government's peace day memorial ceremony, "we know today that we must pursue peace through many avenues, and that our journey will not be an easy one."

"But we also know we cannot afford to abandon the ideal of international cooperation," Butrus-Ghali said in his message read by his top deputy, UN Undersecretary General Joseph Reed.

Speaking of growing demand for peacekeeping operations in trouble spots around the globe, Butrus-Ghali emphasized, "today's missions are more complex and more dangerous. They no longer discharge purely military tasks, such as monitoring a cease-fire but frequently involve a civilian component."

The U.N., which itself marks its 50th anniversary this year, welcomes Tokyo's commemoration of the air raid, the UN chief said.

"This is an occasion to regenerate the vision, determination and imagination that we will need over the next 50 years, if we are to build the more humane, more peaceful world envisioned in the (U.N.) Charter," Butrus-Ghali said.

Reed said in his speech, "we at the United Nations need you and your support to achieve the ultimate goal of saving succeeding generations from the scourge of war. The United Nations needs Japan."

**Murayama Leaves for Poverty Summit in Denmark**

*OW1003063995 Tokyo KYODO in English 0629 GMT  
10 Mar 95*

[FBIS Transcribed Text] Tokyo, March 10 KYODO—Prime Minister Tomiichi Murayama left for Copenhagen on Friday [10 March] to attend a U.N.-sponsored summit on social development.

Murayama will attend a leaders' meeting on the last two days of the weeklong world summit for social development, which started Monday and is aimed at finding ways to combat global poverty.

After attending a welcoming ceremony on Saturday, the premier will deliver a speech at the summit on Japan's commitment to tackle social issues such as poverty.

Before departing Tokyo, Murayama said Friday he will propose at the summit the holding in Japan of a ministerial-level forum of Asian countries for dealing with natural disasters.

He also reiterated that he will express at the summit Japan's gratitude for international support and assistance for the victims of the Jan. 17 earthquake which devastated the Kobe area.

The Copenhagen event is the first major global meeting to address the objectives of "social progress and better standards of life combined with greater freedom" as first outlined in the United Nations Charter five decades ago.

Murayama will also hold talks separately with Chinese Prime Minister Li Peng, South Korean President Kim Yong-sam and Danish Prime Minister Poul Rasmussen before returning to Japan on Sunday.

With Li, whom Murayama will be meeting for the first time, the premier will discuss future bilateral relations, in light of the fact that this year is the 50th anniversary of the end of World War II, Japanese officials said.

Murayama is likely to discuss the North Korean nuclear issue with Kim, following the Thursday debut of the Korean Peninsula Energy Development Organization, an international consortium to provide North Korea with light-water reactors, they said.

**Yen Loan for Iran Seen as Test for Saito**

*OW1003054495 Tokyo BUNGEI SHUNJU in Japanese  
Apr 95 p 235*

[Unattributed article from the "Kasumigaseki Confidential" section]

[FBIS Translated Text] Can the Foreign Ministry overturn its reputation of being one-sidedly subservient to the United States? Administrative Vice Minister Kuni-hiko Saito's (who joined the ministry in 1958) judgment is being tested.

This concerns the question of whether to continue the yen loans to Iran. Japan has already provided the first installment of the yen loans for a project to construct a dam for hydraulic power generation on the Karun River in southern Iran, and it was supposed to make the decision to provide the second installment of 4.6 billion yen in mid-1994.

However, the U.S. Government labelled Iran a country supporting terrorists because of the continuous terrorist activities of the Islamic fundamentalist group "Hamas." The United States repeatedly asked Japan to suspend aid to Iran. President Bill Clinton personally made that request at the Japan-U.S. summit meeting on 11 January.

The Foreign Ministry believes that there is no clear evidence proving Iran's support of terrorism, and that providing yen loans will support the moderates in Iran,



which will, in turn, contribute to the stability of the Middle East situation. Therefore, it had at one time decided to continue the aid. However, it was later learned that the U.S. opposition is unexpectedly strong, and the ministry has started to waver.

At a meeting of Japanese envoys to the Middle East in mid- February, the majority opinion was "aid ought to be continued" because financing only the first phase of a project and then suspending further aid may undermine future relations between Japan and Iran.

Saito was ambassador to Iran until five years ago. He is well acquainted with the situation there. Incumbent Ambassador to Iran Takeshi Ohara (who joined the ministry in 1961) also used to be the director general of the Middle Eastern and African Affairs Bureau of the Foreign Ministry.

While the majority in the ministry supports the continuation of yen loans to Iran, it remains to be seen what decision Saito will make.

#### **Takemura Says Yen Too Strong, Unstable**

*OW1003021095 Tokyo KYODO in English 0154 GMT 10 Mar 95*

[FBIS Transcribed Text] Tokyo, March 10 KYODO— Finance Minister Masayoshi Takemura expressed his views Friday [10 March] that the yen's value against the dollar is still too high.

Takemura said at a press conference, "I don't believe the yen has become stable, though I cannot comment on its level."

The dollar somewhat recovered to the 90-91 yen level from the recent downslide to its postwar global low below the 89 yen line.

"We will continue seriously watching developments for some time and take necessary action," Takemura said.

Takemura said he has not heard about any meeting of vice finance ministers from the Group of Seven (G-7) economic powers to discuss the currency issue.

#### **Joint G-7 Interest Rate Control 'Not Easy'**

*OW1003051295 Tokyo KYODO in English 0354 GMT 10 Mar 95*

[FBIS Transcribed Text] Tokyo, March 10 KYODO— Finance Minister Masayoshi Takemura said Friday [10 March] it is not easy for the Group of Seven (G-7) industrial nations to act concertedly to control their key interest rates to stop the dollar's fall against other currencies.

Takemura, speaking at the House of Councillors Finance Committee, said, "each G-7 nation has its own financial situation and it's not easy to express a concrete action to take concerning foreign exchange rate developments."

The finance minister said it is impossible to hold an emergency G-7 meeting to discuss the foreign exchange rate trend as the member nations have not agreed on details of monetary measures that could be taken although they know they have to "do something."

The minister indicated earlier in the day that the yen's value against the dollar is still high. "I don't believe the yen has become stable, though I cannot comment on its level."

He said he has not heard about any meeting of top officials from G-7 countries to discuss the currency issue.

#### **Germany Rejects Ad Hoc G-7 Meeting**

*OW0903132295 Tokyo KYODO in English 1234 GMT 9 Mar 95*

[FBIS Transcribed Text] Tokyo, March 9 KYODO— Japan sounded out other major industrial nations about an emergency meeting to discuss the plunging dollar but abandoned the idea because of Germany's reluctance, government sources said Thursday [9 March].

Symbolizing the lack of unity among the Group of Seven (G-7) nations, German authorities balked at the idea of an emergency meeting and the domestic economic impact of having to coordinate interest rate policy with other nations for the sake of market stability, the sources told KYODO NEWS SERVICE.

The United States also was less alarmed than Tokyo about the dollar's drop to postwar lows against the yen and the German mark because of the dollar's resilience against the currencies of its neighboring trading partners Canada and Mexico, the sources said.

The dollar, which fell below 96 yen for the first time last week, plummeted as far as 88.75 yen Wednesday in Tokyo. It recovered to nearly 92 yen Thursday in Tokyo after Federal Reserve Chairman Alan Greenspan broke Washington's reticence and said the dollar had fallen too far.

Although the timing was not specified, the Finance Ministry apparently consulted Japan's G-7 partners, which also include Britain, Canada, France and Italy, on Tuesday and Wednesday. The ministry then explained the situation to leaders of the ruling coalition parties, the sources said.

Finance Minister Masayoshi Takemura told a Diet panel Monday he was considering seeking an emergency G-7 meeting, but hours later corrected himself at a news conference, saying, "practically, it is not easy to hold such a session."

#### **BOJ To Maintain 'Soft' Monetary Policy**

*OW1003013295 Tokyo KYODO in English 0117 GMT 10 Mar 95*

[FBIS Transcribed Text] Tokyo, March 10 KYODO— Bank of Japan (BOJ) Governor Yasuo Matsushita said



Friday [10 March] the central bank will maintain its current soft monetary policy, government officials said Friday.

Matsushita was quoted as saying that the central bank will keep a close watch on the yen's movements against the U.S. dollar and on Japan's economic situation.

Matsushita made the remarks at a meeting of cabinet ministers concerned with economic affairs, the officials said.

The BOJ chief told the ministers that Japan's economy is still on a path of gradual recovery, they said.

### **EPA Official Urges U.S. Action on Dollar**

*OW1003132895 Tokyo KYODO in English 1253 GMT 10 Mar 95*

[FBIS Transcribed Text] Tokyo, March 10 KYODO—A senior official of Japan's Economic Planning Agency (EPA) urged the United States on Friday [10 March] to set a specific goal for reducing its budget deficit as part of efforts to stabilize the value of the U.S. dollar.

Tsutomu Tanaka, EPA vice minister, told reporters that the dollar is "clearly undervalued."

To correct the problem, Tanaka also called on the U.S. to implement tax incentives to raise the national savings rate.

He expressed concern that the present level of the dollar-yen exchange rate could have serious effects on the Japanese economy.

### **Gyoten on Effects of Strong Yen, Weak Dollar**

*OW1003014595 Tokyo MAINICHI SHIMBUN in Japanese 9 Mar 95 Morning Edition p 3*

[Interview with Bank of Tokyo Chairman Toyoo Gyoten by unidentified reporter; place and date not given—first paragraph is MAINICHI SHIMBUN introduction]

[FBIS Translated Text] What is taking place in the currency world? How should it be dealt with? MAINICHI SHIMBUN interviewed Bank of Tokyo Chairman Toyoo Gyoten, who is well versed in the currency issue and formerly served as deputy finance minister, to ask him these questions.

[MAINICHI SHIMBUN] What do you think has caused the yen to appreciate?

[Gyoten] Approximately 1 trillion dollars (approximately 90 trillion yen) are traded every day on foreign exchange markets around the world and the amount is about 50 times (actual market demand). While trading of long-term, stable funds has been reduced, highly speculative, short-term funds are being traded on foreign exchange markets around the world. As hedge operations

(to avoid risks) are conducted on a short-term basis, the global foreign exchange markets have become structurally unstable.

Another deep-seated factor in destabilizing worldwide currency markets is that the dollar accounts for two-thirds of the currency traded on global markets, despite the fact the relative strength of the U.S. economy has weakened. At times, currency markets around the world have been shaken because economic fundamentals have not been in parallel with the distribution of currency.

[MAINICHI SHIMBUN] Why has the yen been appreciating?

[Gyoten] I believe the economic crisis in Mexico is behind the yen's appreciation. The foreign exchange markets have concluded the United States will be unable to rein in Mexico's economic crisis. I believe the foreign exchange markets are wondering if U.S. power has really weakened to this point. If we look at the United States from that point of view, we see various problems facing the country. How will it deal with twin deficits? How does the United States intend to deal with interest rates? Meanwhile, the German mark has been rising on European currency markets. While the dollar has fallen in New York, the mark has risen in Europe, an indication that the fall in the dollar has led the mark to rise across the Atlantic. It is a matter of course for foreign exchange dealers to sell the dollar and buy the mark and yen; dealers are bent on selling the dollar and buying the mark and yen. The Japanese trade surplus has grown while Japanese politics has been mired in confusion. The weak dollar has reached across the Pacific to Japan, precipitating the yen's appreciation.

[MAINICHI SHIMBUN] Has Washington been unable to take measures to stop the dollar's fall?

[Gyoten] Washington itself supposedly thinks that the current exchange rate of 95 yen per dollar is excessive. U.S. currency authorities should have announced steps to halt the dollar's fall two weeks ago. At the first stage, the U.S. currency authorities failed to take quick action to stop the dollar from weakening against other major currencies and some U.S. administration officials have made remarks that could be interpreted as an indication the U.S. Government does not care about the decline. Their response to the weakening dollar has been clumsy.

[MAINICHI SHIMBUN] What level is desirable for the yen-dollar exchange rate?

[Gyoten] My personal view is that the desirable level is 95-100 yen per dollar.

[MAINICHI SHIMBUN] What measures should be taken?

[Gyoten] There are three scenarios: First, the yen-dollar exchange rate has gone too far and Japan should wait until the pendulum swings back. Second, Japan should intervene in foreign exchange markets to some extent,



while stressing the "desirability of a strong dollar" and then wait for a turning point. These two scenarios involve the risk of keeping Japan in the dark about how long the yen will appreciate in the future. Third, Japan, the United States, and Germany should announce a set of specific macroeconomic policies to stop the dollar's decline and make coordinated intervention in worldwide currency markets. In the set of specific macroeconomic policies, the United States must commit itself to raising interest rates and cutting the federal budget deficit while Japan and Germany must commit themselves to taking measures to relax their respective monetary policies. The possibility of putting the third scenario into practice is virtually nil. A combination of the first and second scenarios is a likely choice.

[MAINICHI SHIMBUN] How will the appreciated yen affect the Japanese economy?

[Gyoten] If the strong yen depreciates in one or two weeks, there will be no problem. If the yen remains strong against the dollar, it will appreciate further. A drastically appreciated yen will cause big problems for Japan, but I do not believe it will drive the world economy into major turmoil. If Japanese economic fundamentals were to remain stable, jittery foreign exchange markets would not cause problems for Japan. However, neither economic fundamentals nor foreign exchange markets are stable at present. There will be no change in the status of the dollar as a key currency. Like Japan, the United States does not move without external pressure.

#### **Inamori Urges Industry To Hike Export Prices**

*OW0903102795 Tokyo KYODO in English 1005 GMT 9 Mar 95*

[FBIS Transcribed Text] Osaka, March 9 KYODO—The chairman of electronics manufacturer Kyocera Corp. proposed Thursday [9 March] that Japanese companies implement a coordinated raise in export prices to deal with a surge in the yen's value, company officials said.

Kazuo Inamori, who is also chairman of the Kyoto Chamber of Commerce and Industry, made the appeal to four major Japanese business groups, including the Federation of Economic Organizations (Keidanren).

Inamori said Japan's export prices should go up by 10 percent to reflect the yen's appreciation from about 100 yen to 90 yen against the dollar in recent weeks.

The price hike, by making Japanese exports less competitive in the international market, would contribute to a reduction in Japan's trade surplus and help halt the yen's appreciation, Inamori said.

Kyocera, meanwhile, said it will take the initiative in raising export prices by implementing a 10 percent price hike for its semiconductor parts and other products.

Kyocera depends on exports for 36 percent of its sales and would post a foreign exchange loss of 800 million

yen for every 1 yen increase in the Japanese currency's value against the dollar, officials said.

NEC Corp. also intends to implement a raise in its export prices for computer memory chips for the April-June quarter, officials said.

Minolta Camera Co., which derives 76 percent of its sales from exports, said it would consider raising its export prices if the dollar's value continued to stay between 85 yen and 90 yen.

Fuji Photo Film Co., meanwhile, said it has no plans to raise export prices, because of intense competition with Eastman Kodak Co. of the United States and other rivals.

Fuji earlier this year raised its export prices.

Toyota Motor Corp. said it will watch trends in the foreign exchange market before considering a hike in export prices.

Toyota and other Japanese automakers recently announced a raise in export prices.

#### **Tokyo Approves New Tax Agreement With Paris**

*OW1003005795 Tokyo KYODO in English 0033 GMT 10 Mar 95*

[FBIS Transcribed Text] Tokyo, March 10 KYODO—The government on Friday [10 March] approved a new tax agreement with France, aimed at avoiding double taxation for companies, according to government officials.

The government is to ask the Diet to ratify the treaty within the current session, they added.

The current bilateral treaty on taxation between Japan and France was signed in 1964, and was partly changed in 1981.

The two countries, however, have been discussing a total revision since June 1993 to resolve the double taxation problem.

#### **Barings' Tokyo Unit Resumes Operations**

*OW1003035195 Tokyo KYODO in English 0324 GMT 10 Mar 95*

[FBIS Transcribed Text] Tokyo, March 10 KYODO—Baring Securities (Japan) Ltd., a securities unit of the collapsed British merchant bank Barings PLC, resumed operations Friday [10 March] in Tokyo and Osaka.

When Barings went bankrupt in late February, the Finance Ministry ordered the Cayman Islands-based securities firm to halt operations in Japan, and the firm's membership on the Tokyo and Osaka stock markets were suspended.

The resumption followed confirmation by the Tokyo and Osaka district courts that International Nederlanden



Group NV (Ing), the Dutch bank which has taken over Barings, has taken measures to increase Baring Securities (Japan)'s capital to resolve its excessive liabilities.

The Tokyo and Osaka stock exchanges, however, say restoring Baring Securities (Japan)'s membership on the exchanges will still take some time, because the exchanges need to confirm it is repaying creditors and reducing its liabilities.

#### **Tokyo Proposes Resuming Talks With DPRK**

*OW1003135295 Tokyo KYODO in English 1332 GMT  
10 Mar 95*

[FBIS Transcribed Text] Tokyo, March 10 KYODO—Japan informally proposed to North Korea that the two countries leave aside their dispute over a missing Japanese woman, allegedly abducted from Japan by North Korean agents, in trying to resume talks on normalizing diplomatic ties, sources familiar with bilateral affairs said Friday [10 March].

The dispute was a key factor in forcing Tokyo and Pyongyang to suspend their talks on normalizing bilateral ties in November 1992 as Pyongyang rejected Tokyo's demand for information about the Japanese woman.

The sources said a senior Japanese diplomat and an official at the Liberal Democratic Party took up the dispute when they had informal contact with a senior North Korean official in Singapore in mid-February on resuming the stalled normalization talks.

But the sources did not provide details as to how the dispute would be handled outside the framework of normalization talks.

Japan and North Korea began normalization talks in January 1991, but talks bogged down in the eighth round in November 1992 as Pyongyang rejected Tokyo's demand it allow Japanese wives to return home for visits, and provide details about the Japanese woman.

Confessed North Korean terrorist Kim Hyon-hui has said she was trained by the Japanese woman, known in her Korean name Yi UN-hye. Kim was convicted of blowing up a Korean Air jetliner in 1987.

In May 1991, Japanese police said the Japanese woman, whose identify has not been established, might be a bar hostess who once lived in Tokyo.

Some in the ruling coalition have said the issue of the Japanese woman should be shelved to pave the way for resumption of normalization talks.

Foreign Ministry officials have opposed any idea of leaving the issue untouched, but a senior ministry official has said it might be possible to consider when and how to discuss the issue.

#### **Coalition Wants Talks With DPRK by 21 Apr**

*OW0903141995 Tokyo KYODO in English 1241 GMT  
9 Mar 95*

[FBIS Transcribed Text] Tokyo, March 9 KYODO—Japan's three ruling coalition partners agreed in principle Thursday [9 March] to seek resumption of talks on establishing full diplomatic relations with Pyongyang before April 21 when a nuclear reactor supply contract with North Korea is scheduled to be concluded, coalition sources said.

Representatives of the three parties, however, differed on what role a 1990 declaration with Pyongyang's Workers Party of Korea (WPK) would play, the sources said.

Taku Yamazaki of the Liberal Democratic Party's (LDP) Diet Affairs Committee suggested that the declaration be scrapped for a new beginning.

Kazo Watanabe, general affairs director of the Social Democratic Party (SDP), however, said the talks should be reopened while grounded on the declaration.

The declaration signed by the LDP, SDP and the WPK in September 1990 called for the normalization of Tokyo-Pyongyang ties and compensation for Japan's colonial rule over the Korean peninsula, along with the removal of a travel ban to North Korea for people carrying Japanese passports.

Earlier Thursday, informed sources said officials from the two countries informally agreed in mid-February to continue working-level consultations aimed at resuming normalization talks.

The meeting in Singapore between a senior official of Japan's Foreign Ministry and an aide to WPK Secretary Kim Yong-sun was the highest level of informal contact, the sources said.

Informal meetings between the two countries have been held in Geneva and Beijing.

Japan and North Korea began normalization talks in January 1991. But the negotiations broke down in November 1992 when Pyongyang rejected Tokyo's demand for information on a Japanese woman believed abducted by North Korean agents.

A self-confessed North Korean terrorist, Kim Hyon-hui, said she was trained to pose as a Japanese tourist by the woman. Kim was convicted in South Korea of blowing up a Korean Air jet in 1987.

#### **To Send Mission Soon**

*OW1003152795 Tokyo KYODO in English 1505 GMT  
10 Mar 95*

[FBIS Transcribed Text] Tokyo, March 10 KYODO—Japan's ruling coalition will send a mission to North Korea for three days from next Thursday [16 March],



seeking to resume stalled bilateral talks on normalizing diplomatic ties, a senior coalition official said Friday.

The move came after top officials of the three parties making up the coalition—the Liberal Democratic Party (LDP), Social Democratic Party (SDP) and new party Sakigake [Harbinger]—agreed to dispatch such a mission.

North Korea has informed a top LDP official that one of the secretaries of the Workers Party of Korea would meet the proposed Japanese mission if it visits in March and includes leaders of the three parties, coalition officials said.

LDP Secretary General Yoshiro Mori said at a press conference after the meeting that an official invitation will soon come from Pyongyang.

Mori said the mission could be headed by a veteran LDP politician, former Foreign Minister Michio Watanabe, as Pyongyang wants to see an influential man included.

Mori said the objectives of the mission are to set the right climate for resuming bilateral normalization talks and for opening a contact channel with Pyongyang for the just-launched Korean Peninsula Energy Development Organization (KEDO).

Japan and North Korea began talks on normalizing bilateral ties in January 1991, but these broke down in November 1992 when Pyongyang rejected Tokyo's demand for information about a Japanese woman allegedly abducted from Japan by North Korean agents.

The ruling coalition was to send a mission to North Korea last fall, but the planned visit was cancelled due to differences over how to treat a 1990 agreement among the LDP, SDP and the Workers Party of Korea.

The tripartite agreement called on Japan to apologize for its 1910-1945 colonial rule and pay North Korea compensation for the colonial rule and also for the postwar period.

SDP Secretary General Wataru Kubo told reporters after meeting with the LDP's Mori that such a mission is desirable if it serves to promote resumption of normalization talks.

But Kubo said the issue of how to treat the 1990 tripartite agreement would be a problem in sending such a mission, referring to some LDP members opposed to it.

Watanabe, known as critical of the agreement, told reporters that it is not appropriate to keep normalization talks suspended for long.

The choice of Watanabe as a possible chief of the mission is widely seen as aimed at alleviating opposition to the agreement from LDP members.

"We must have a productive talk if we go," Watanabe said.

Watanabe added, however, that no way would be found of sending a mission if the coalition sticks to the 1990 agreement.

### Watanabe To Lead Delegation

*OW1003051395 Tokyo KYODO in English 0429 GMT  
10 Mar 95*

[FBIS Transcribed Text] Tokyo, March 10 KYODO—The Liberal Democratic Party (LDP) decided Friday to send a mission from the ruling coalition to North Korea to pave the way for restarting deadlocked bilateral diplomatic talks, party officials said.

LDP President and Foreign Minister Yohei Kono agreed with party Secretary General Yoshiro Mori and Policy Affairs Research Council Chairman Koichi Kato on the idea in a meeting at the Diet building.

The mission will be headed by former Foreign Minister Michio Watanabe, who can create a consensus out of diverse views within the party, they said.

Following the agreement, Mori asked New Party Sakigake [Harbinger], one of the LDP's coalition partners, to prepare for the mission. He also made a similar request to another coalition partner, the Social Democratic Party [Social Democratic Party of Japan].

Mori said at a news conference that the talks with North Korea through "various channels" over the mission are winding down, saying an official invitation will soon come from Pyongyang.

Mori said the objectives of the mission are to set the right climate for resuming bilateral diplomatic normalization talks, which broke down in 1992, and for opening a contact channel with Pyongyang for the just-launched Korean Peninsula Energy Development Organization.

The ruling coalition decided to send a mission to North Korea last autumn, but the plan did not materialize because of failure in coordination with Pyongyang.

The three ruling coalition partners agreed in principle Thursday [9 March] to seek resumption of talks on establishing full diplomatic relations with Pyongyang before April 21 when a nuclear reactor supply contract with North Korea is scheduled to be concluded.

### Diet Approval Required for KEDO Funding

*OW1003083995 Tokyo KYODO in English 0827 GMT  
10 Mar 95*

[FBIS Transcribed Text] Tokyo, March 10 KYODO—Foreign Minister Yohei Kono said Friday [10 March] that the planned supply of funds by Japan for the just-inaugurated international consortium to provide modern nuclear reactors to North Korea requires Diet approval.



"If Japan is to provide funds for many fiscal years, we should naturally seek an endorsement by the Diet," Kono said at a session of the House of Representatives Foreign Affairs Committee.

He was referring to Japan's financial contributions to the Korean Peninsula Energy Development Organization (KEDO), which was officially launched Thursday in New York.

Kono, however, reiterated that Japan's participation in the scheme itself does not demand parliamentary approval because the KEDO accord among the United States, Japan and South Korea does not put Japan under any legal obligation to supply funds for the body.

The two light-water reactors to be supplied to North Korea are expected to cost some 4 billion dollars and South Korea will share the greater part of the cost.

Yutaka Kawashima, who heads the Foreign Ministry's Asian Affairs Bureau, said the Japanese funds contributed to the organization will not be part of its official development assistance expenditures.

At the same lower house panel, Kawashima also warned that "considerably tense" exchanges could be expected in the negotiations with North Korea over the nuclear reactor project.

North Korea has criticized the KEDO project, under which the three original members agreed to supply South Korean light-water nuclear reactors to Pyongyang, which has refused to accept such reactors.

Chief Cabinet Secretary Kozo Igarashi said at a news conference that Tokyo will strive to help implement the U.S.-North Korea nuclear accord with the launching of KEDO.

"With the establishment of KEDO, we would like to help the negotiations go smoothly and achieve the hoped-for results," the top government spokesman said.

#### Paris Hints No Funds

OW0903141095 Tokyo KYODO in English 1337 GMT  
9 Mar 95

[FBIS Transcribed Text] Tokyo, March 9 KYODO—A visiting senior French Government official indicated Thursday [9 March] that Paris will not offer funds to an international consortium aimed at helping North Korea replace its nuclear power reactors with modern models.

Bertrand Dufourcq, secretary general of the French Foreign Ministry, dropped the hint during a meeting with Japanese Vice Foreign Minister Kunihiro Saito, officials said.

"It is difficult to provide financial support," Dufourcq was quoted as telling Saito. "But we would like to offer technical support such as storage of spent nuclear fuel."

KEDO is to be launched in New York at the end of a two-day international conference Thursday, with the United States, South Korea and Japan as founding members.

#### Murayama Urges Further Deregulation Efforts

OW1003063395 Tokyo NHK General Television  
Network in Japanese 0300 GMT 10 Mar 95

[Announcer-read report; from "NHK News" program]

[FBIS Translated Text] During unofficial talks by cabinet ministers after a cabinet meeting today, Prime Minister Tomiichi Murayama urged further efforts by ministries and agencies to come up with deregulation measures for a five-year deregulation promotion package set for announcement at the end of March.

Foreign Minister Yohei Kono also expressed the hope that ministries and agencies would compile sound interim reports on deregulation, which will be announced today, based on strong requests from both home and abroad, adding that the reports would arouse various opinions on deregulation. Kono then urged government offices to continue efforts even after the interim reports are announced, stressing that other countries are watching Japan's deregulation efforts with deep interest.

International Trade and Industry Minister Ryutaro Hashimoto also called for active deregulation efforts to vitalize medium- and small-sized firms.

In the end, Murayama said that based on the interim reports, the government would work out a five-year deregulation promotion package by the end of March. He then asked ministries and agencies to make efforts for drastic deregulation while listening to opinions from various circles. In this way, the prime minister called for further deregulation efforts by government offices.

#### Interim Report Unveiled

OW1003141995 Tokyo KYODO in English 1259 GMT  
10 Mar 95

[FBIS Transcribed Text] Tokyo, March 10 KYODO—Japan unveiled an interim report on deregulation Friday [10 March] as part of its efforts to secure transparency in the process of nailing down a five-year deregulatory program by the end of March.

Japanese Government ministries and agencies spelled out their respective deregulatory steps in the face of strident calls from the United States and European nations for greater openness in decision-making.

Apparently hoping to seek international understanding of Tokyo's deregulatory efforts, the government will hold a session Monday to brief the organizations concerned, mainly those of foreign countries, on the interim report.



Prime Minister Tomiichi Murayama and his cabinet ministers are also set to huddle Monday over the deregulatory measures presented by the government departments and draw up a substantial five-year program by the end of the month.

The five-year plan is intended to fulfill Japan's de facto international pledge to restructure the nation's economy through relaxation of administrative rules and regulations, and ensure foreign businesses greater access to Japanese markets.

Chief Cabinet Secretary Kozo Igarashi lauded the ministries and agencies for their deregulatory efforts, saying, "I understand they have seriously attempted to comply with requests both at home and abroad."

Despite the government's wishful thinking, however, the interim report is expected to draw broadsides from various quarters as there are very few fresh items in the 1,000-plus decontrol measures involved.

In its deregulatory list that covers 369 items, the Ministry of International Trade and Industry said it will strive to unify Japan's industrial standards with internationally conventional ones over the next five years.

On the other hand, the ministry's document fails to commit to any drastic review of the controversial Large-Scale Retail Store Law, which has drawn fire as blocking foreign entry into Japan's retail industry by imposing tough restrictions on the opening of new large stores.

The Transport Ministry, which has been harshly criticized for its wide-ranging regulations, has also published a report calling for deregulation on 100 items related to the transport business.

As the centerpiece of its report, the ministry urged that inspections of passenger cars more than 11 years old should be extended to every two years, rather than every year as presently required.

The Fair Trade Commission (FTC) revealed 19 deregulation items, including a proposal for an all-out repeal of exceptionally legalized cartels by the end of fiscal 1988.

The FTC also said it will thrash out by the March 31 end of fiscal 1994 a plan to detail the removal of all 67 cartels permitted as exceptions to the Antimonopoly Law.

Its list also includes a commitment to drop price protection within the calendar year of 1998 for all products exceptionally designated under the resale price maintenance system.

The Home Affairs Ministry and the Fire Defense Agency also said in their reports that they will set up a panel in fiscal 1995 to study the possibility of allowing self-service gas stations.

But it is unclear when the self-service plan will be implemented.

The Health and Welfare Ministry said it will simplify certain import procedures to help promote "parallel imports" of cosmetics—which allow importers in addition to authorized agents to market such products—as a major item of its deregulatory program.

However, the government ministries failed to meet expectations for eased restrictions on such items as the dispatch of workers, exhaust emissions standards for imported cars, holding companies and shareholding by finance corporations.

Meanwhile, Japanese business leaders took a generally critical view of the interim report on decontrol.

Shoichiro Toyoda, chairman of the Federation of Economic Organizations (Keidanren), said the report "hardly" responds to earnest calls from at home and abroad.

Echoed Takeshi Nagano, president of the Japan Federation of Employers Associations, saying market-opening and decontrol should be promptly carried out to spur domestic demand, as many Japanese firms are in a critical situation due to the yen's sharp surge.

Speaking of the final report to be released by the end of March, Masaru Hayami, chairman of the Japan association of Corporate Executives (Keizai Doyukai), expressed hopes that strong political leadership will be exerted to come up with substantial deregulatory steps.

#### **Diet Urged To Pass Special Budget Quickly**

*OW1003111495 Tokyo KYODO in English 1052 GMT  
10 Mar 95*

[FBIS Transcribed Text] Tokyo, March 10 KYODO—The government should quickly enact a fiscal 1995 supplementary budget to counter the effects of the Kobe earthquake and the yen's record surge, academic and other experts told a Diet panel Friday [10 March].

In addition to the initial budget for the fiscal year starting next month, "a supplementary budget incorporating reconstruction and high-yen measures must be compiled quickly," said Koichi Nakagawa, director of economic and social policy for Rengo, the 8 million-strong Japanese trade union confederation.

Also addressing the House of Councillors Budget Committee, Toshimasa Tsuruta, professor at Senshu University, said such a supplement should be financed with national government bonds and not a tax increase.

Hiroshi Kurokawa, a Tsukuba University professor, said the national government should spell out policy choices for quake reconstruction and then leave the decisions to local governments in the affected areas.

On the issue of decentralization, journalist Tomonobu Omiya said the central government should not simply hand over power to regional and local authorities with



the system intact. "The first priority is to establish regional administrative reform and measures to prevent improprieties," he said.

On the diplomatic front, Terumasa Nakanishi, professor at the University of Shizuoka, said, "Japan must play a role in the area of stopping arms proliferation," he said.

#### **NFP To Back No One in Tokyo Election**

*OW1003055895 Tokyo KYODO in English 0530 GMT  
10 Mar 95*

[FBIS Transcribed Text] Tokyo, March 10 KYODO—Shinshinto (New Frontier Party: NFP) decided Friday [10 March] it will not endorse any candidate running in the April 9 Tokyo gubernatorial election, allowing its members to vote as they wish, party officials said.

The decision was reached at a meeting of Shinshinto Diet members from Tokyo, the officials said.

The lawmakers approved a policy that Tokyo residents among Shinshinto members should "behave as residents of Tokyo rather than as members of a political party" in the upcoming election, and "act based on each person's belief."

Shinshinto is the largest opposition party in the Diet.

The party, established last December and led by former Prime Minister Toshiki Kaifu, first tried to have its own candidate, former Labor Minister Kunio Hatoyama, in the election.

But Hatoyama announced Tuesday he will not run in the race.

His decision came after the Komei Party's Tokyo Chapter threw their support behind former Deputy Chief Cabinet Secretary Nobuo Ishihara in the election.

Komei is a party of mainly local assembly members who belonged to the now-defunct Komeito [Clean Government Party]. Most Komeito members in the Diet joined Shinshinto.

Ishihara, 68, is backed by the Liberal Democratic Party (LDP) and the Social Democratic Party [Social Democratic Party of Japan], coalition partners with New Party Sakigake [Harbinger] in the government of Prime Minister Tomiichi Murayama.

Tokyo assembly members of Shinshinto, on the other hand, have decided not to support Ishihara in the gubernatorial election.

Also, some members of the defunct Japan New Party, which disbanded itself to join Shinshinto, are backing Tetsundo Iwakuni, 58, former mayor of Izumo in Shimane Prefecture, in the election.

In addition to Ishihara and Iwakuni, Tetsu Ueda, 67, a former member of the House of Representatives, Ken-ichi Ohmae, 52, head of a political group called Reform of Heisei, and Saburo Kuroki, 73, professor emeritus at

Waseda University have declared their candidacies. Kuroki is endorsed by the Japanese Communist Party.

Yukio Aoshima, 62, a member of the House of Councilors, also announced Friday he will run in the election.

The LDP, Komei and Shinshinto are among the six ruling parties in the Tokyo Metropolitan Assembly which have backed incumbent Gov. Shunichi Suzuki, who is retiring.

#### **Tokyo May Send Survey Team to Golan Heights**

*OW1003111695 Tokyo KYODO in English 1105 GMT  
10 Mar 95*

[FBIS Transcribed Text] Tokyo, March 10 KYODO—Japan is likely to send a fact-finding mission to the Golan Heights in April to determine its potential role in UN peacekeeping activities in the Israeli-occupied territory, government sources said Friday [10 March].

The dispatch becomes nearly certain as the Social Democratic Party (SDP), one of the tripartite ruling parties, has agreed to the mission without any obligation that Self-Defense Forces (SDF) troops be sent later as peacekeepers, the sources said.

"The dispatch of a fact-finding mission usually entails the dispatch of SDF troops, but this time (the mission) will go without such a condition," SDP Secretary General Wataru Kubo told a press conference.

"Whether (Japan) can decide on the dispatch of the SDF based on the UN Peacekeeping Cooperation Law will be discussed later, based on the mission's reports," Kubo said.

The ruling parties of the SDP, the Liberal Democratic Party (LDP) and new party Sakigake [Harbinger] will officially agree to dispatch the mission at a meeting of the coalition's policy coordination panel next Tuesday, the sources said.

Preparations are already under way to send the mission as soon as next week, an LDP source said.

Both the LDP and Sakigake have been pushing for an active SDF role in the Golan Heights since last year, while the SDP has resisted the idea out of fear of possible SDF involvement in a military role.

But the SDP has come to terms with the idea, in the interest of avoiding further discord among the three-party coalition, SDP sources said.

The United Nations has wanted Japanese personnel to replace 50 Canadian armed forces members assisting with transport, whose term of duty with the Syria-based UN Disengagement Observer Force (UNDOF) is set to expire this summer.

The Golan Heights were seized from Syria by Israel in 1967.



**\* Defense Agency Chief Tamazawa Interviewed**

952B0104A Tokyo KANKAI in Japanese Jan 95 pp 138-153

[Interview with Tokuichiro Tamazawa, director general of Japan's Defense Agency, by Hisao Imai, political commentator, on 7 November 1995; place not given]

[Text] [Imai] I've heard that you've had visitors from all over the world since your installation as director general. Have there been any from China?

[Tamazawa] I've been thinking about inviting the Chinese minister of defense.

[Imai] If he comes here, he'll be the first one to do so.

[Tamazawa] He'll be the first since the Tienanmen incident. Defense Minister Zhang visited Japan in 1984, and Director General Kurihara visited China in 1987. After Tienanmen, the exchanges ceased, but I think we will resume the dialogue soon.

[Imai] What is China's attitude about that?

[Tamazawa] My impression is that it's quite favorable.

[Imai] Then you will be visiting China after that?

[Tamazawa] Well, I don't know if this will happen during my term of service, but I have the feeling that the Chinese minister of defense will visit Japan, and then I or whoever is serving in my position will go over there.

[Imai] What about South Korea?

[Tamazawa] There are frequent comings and goings between Japan and Korea of officials at many different levels. The South Korean minister of national defense visited Japan last spring, so it will probably be our turn next.

[Imai] Does that mean that you will be going?

[Tamazawa] I'm not sure.

[Imai] I suppose your decision will be based on developments in the delicate North Korean situation.

[Tamazawa] Yes. It has been decided that Japan, the United States, and South Korea should form a united front and work together on this problem.

[Imai] I hope nothing happens that necessitates the formation of a united front, but it does seem as though North Korea is leading us around by the nose.

[Tamazawa] My view is that North Korea is in a rather complicated position. I think it would have serious difficulties if it were to continue with its past systems. It would seem that now would be the best time for the North Koreans to effect changes.

For instance, three years after Stalin died, Khrushchev began attacking him. Approximately three years after Mao Zedong's death, China underwent major changes.

Without such changes, there would be only impasses. That is why I believe that even North Korea will realize that, now that its supreme leader is dead, its only choice is change.

[Imai] And we will see the effects of any changes three years after his death.

[Tamazawa] Yes, but only if there are changes. I've heard that North Korea, with its population of 20 million, has an active armed force of 1.13 million. At that rate, there must be a significant effect on the lives of the nation's citizens. I don't think they can go on like this forever.

Negotiations between the United States and North Korea may be very difficult, since the prestige of both nations is at stake. But if the two nations approach the negotiations with the willingness to be patient, and manage to find some common ground on which to base their discussions, and solve their problems, I think that will be of great significance. If they can establish common ground, they will have made great progress.

[Imai] We should certainly help North Korea to change (for the better, that is). But I'm uncomfortable about giving into the North Koreans' demands, if they use nuclear weapons as the basis for negotiation, or rather, as a tool to threaten others.

[Tamazawa] You're right. That is something that will have to be verified.

[Imai] If that problem is settled for once and for all, then I think it is Japan's duty to support both Koreas.

[Tamazawa] Yes. What we have to do is to be careful not to give the other party the impression that everything is going to go the way it wants. Japan has decided to seek the restoration of diplomatic relations with North Korea. In the future, when we conduct negotiations on this matter, it isn't likely that we will accept the opinions of the North Koreans unilaterally, as previous official groups visiting North Korea have done. We must proceed cautiously, with the interests of each of the concerned nations in mind, and ensure that the talks go as smoothly as possible.

[Imai] You must be referring to the group headed by Shin Kanemaru. We can't keep saying yes to the North Koreans. We have to say no, we have to put our foot down, when it is appropriate to do so. But both Prime Minister Murayama and Chief Cabinet Secretary Igarashi have maintained connections with North Korea through various routes. I'm afraid that the stance taken by the Murayama cabinet will be such that we'll see a recurrence of the events that took place when the Kanemaru group visited North Korea.

[Tamazawa] The prime minister elucidated Japan's position at the summit conference. Furthermore, he has said any number of times that he intends to cooperate fully with the United States and South Korea in dealing with



the North Korean problem. Chief Cabinet Secretary Igarashi has visited South Korea, where he made statements to the same effect. The Murayama government has resolved that Japan will not act single-handedly.

[Imai] Moving on to more concrete issues, suppose Japan and South Korea decide to assist North Korea in building a light water reactor. Will South Korea provide 75 percent of the funds, and Japan 25 percent? Will these funds be considered an advance on war reparations, or will they be categorized otherwise?

[Tamazawa] We haven't decided what our stand is going to be on that matter. And as to where the aid money for the light-water reactor is going to come from, I think it is important that we have as many nations as possible making a commitment to cooperate on this project. I don't think it's going to be just Japan and South Korea.

[Imai] But the main supporters will be Japan and South Korea?

[Tamazawa] Probably.

[Imai] Have you made any decisions about financial resources?

[Tamazawa] No, not really. Today, [U.S.] Under Secretary of Defense Slocum came to visit me. He said that we'll be holding conferences at which this matter will be discussed.

#### Advantages of a Coalition Government

[Imai] There are many aspects to the South-North Korea problem. The public is worried about the Murayama cabinet's position on defense and national security because Mr. Murayama belongs to the left wing of the Social Democratic Party of Japan [SDPJ], and Mr. Igarashi is a politician who has ties with North Korea. As a member of the cabinet, and through your participation in cabinet meetings and in Budget Committee question-and-answer sessions, you must have acquired a good knowledge of Prime Minister Murayama. What are the prime minister's views on defense? He has, at least for the time being, recognized the Self-Defense Forces [SDF] as constitutional, but is that what he really believes?

[Tamazawa] I think that is what he really believes. You must remember that for 38 years, there was contention between the Liberal Democratic Party [LDP] and the SDPJ over the security issue. But the world situation and the world order have changed drastically. Since the East-West cold war structure changed with the collapse of the Soviet Union, some aspects of the neutrality policy advocated by the SDPJ enjoyed some public support. What I mean is that the public leaned toward neutrality because it didn't want Japan to get involved in a war.

However, the existence of a Japan-U.S. security system and Japan's SDF, dedicated to passive defense, that is, defending our nation with our own hands, ultimately led to the collapse of the cold war structure. This structural

change is what led to the recognition that the differences between the LDP and the SDPJ, on the security issue at least, had disappeared.

Therefore, within the SDPJ, discussions about recognizing the SDF as constitutional from the viewpoint of security were held over a long period of time. Also, the concept of an LDP-SDPJ coalition was first broached when Ishibashi was party chairman. The two parties have never been in total opposition to each other. Even during the cold war, we had some views in common, and there was communication between the two parties. The SDPJ's decision that the SDF are constitutional wasn't made overnight. The process has been gradual. We had the Hosokawa cabinet, and the Hata cabinet—actually, there were no SDPJ members in the Hata cabinet—but the SDPJ began to recognize the SDF during the Hosokawa cabinet. When the idea of the three-party coalition government involving the LDP, the SDPJ, and Sakigake was proposed, and a consensus was needed, the decision was to follow the path taken by previous governments. For instance, the agreement contains the following statement: "Japan will not strive to become a military superpower, but will announce to the world that it has no intention of arming itself with nuclear weapons, and this will be the basis upon which our foreign policy is founded." I refer also to another statement: "We will retain our Self-Defense Forces and the Japan-U.S. Security Treaty, and promote the cause of arms reduction, while making efforts to engage in activities that nurture relationships of trust with neighboring nations."

Additionally, elsewhere it is stated that "Japan's Constitution recognizes the principle of universal security as mandated by the United Nations. In order to ensure world peace and national security, Japan will participate actively in UN-sanctioned peacekeeping operations." These are the sort of mutual recognitions upon which the coalition government was founded. People refer to the current administration as a "common-law marriage," but the coalition members drew up a proper policy agreement, and have started to work on the security issue. The agreement also contains the sentence, "We will retain the SDF and the Japan-U.S. Security Treaty," and the prime minister has gone so far as to make this his vow, so I think this tells us what Japan's future direction will be. I hope you understand that this decision was made only after a painstaking process which eventually led to an agreement.

[Imai] All right. What you're saying is that now that this policy change has been made public, the socialists aren't going to back down, even if they are not taking part in the governing of the nation.

[Tamazawa] That's correct. The policy was ratified at the 3 September SDPJ convention, and thus became part of the party platform.

[Imai] Now I understand how it happened. But until recently, the LDPJ and SDPJ seemed to be forever at odds, and especially so when it came to the defense



question. The public was fully aware of this contention, since it was expressed in no uncertain terms by both parties in the political arena.

But the two parties have joined together, and are governing this nation. Now, as members of the ruling coalition, the LDP and the SDPJ are doing a lot of talking, and a lot of backslapping. This isn't a nice thing to say, but their decisions are based on compromises. There's something going on that the public cannot see. For instance, the differences in opinion between the LDP and the SDPJ came to the fore when the defense budget was being drawn up. These differences were eventually smoothed over within the government, but there are aspects of the process, of the way in which the government drew up that budget, that aren't crystal clear.

[Tamazawa] Our request for an 0.9-percent increase, which was based on an estimate, was agreed upon at a policy council conference, at which all three parties were represented. This decision was reached after consideration of the current world situation, and other factors, and based on the belief that there is no increased likelihood of a direct threat to Japan. Therefore, we decided to keep any increase in the defense budget to a minimum. That is the position we were working from, and that is why we made that decision. Unfortunately, a large part of the budget is allocated toward labor costs, so it was very difficult to keep that part of it down.

But we all pooled our knowledge, and took the utmost care to ensure that the quality of Japan's defense capability will not be diminished. As far as host nation support for the U.S. military is concerned, we will have to lower a planned increase in our burden, which is based on a special agreement, by about half for the time being. But we plan to use as much ingenuity as possible to improve the situation until the government's budget is drafted. We really are working hard on this matter.

What I have noticed from observing the coalition government in action is that past arguments have been based on misunderstandings.

For instance, when the idea of mobilizing SDF personnel for peacekeeping operations was broached, the SDPJ did its utmost to categorize SDF participation as the beginning of the road to military action, as the exercise of military force. The SDF did participate in peacekeeping operations in Cambodia and in Mozambique. No matter where they have been sent, SDF personnel have exercised moderation, they have obeyed their own rules to the letter, and they have strived to accomplish their goal, that is, the goal of the peacekeeping operation. The SDPJ was seriously worried that once Japan possessed military strength, a self-aggrandizing trend would result, and Japan would cause trouble for the other nations of the world, or that Japan's military would wrest itself from civilian control and take on a life of its own.

[Imai] And this is what you learned when the SDPJ came to participate in the governing of Japan. So, even though the LDP and the SDPJ were at each other's throats as long as the 1955 order lasted, ultimately, in the present government, the LDP disregarded the SDPJ's views, since they were minority views, and forged ahead with its own defense policy.

The SDPJ insisted that it would not recognize the SDF, but it never debated the matter with any seriousness. If it had, it would have ended up admitting that the SDF are constitutional, so while the debate was in midstream, it simply told its soldiers to retreat. But once it became part of the governing coalition, that didn't work anymore. No matter what was at issue—budgets, policies—the SDPJ would come forth with an exhaustive list of demands. The party would approach debates armed with minutiae, which made it impossible for the LDP to ignore it as it had in the past. The LDP could not avoid being influenced, at least to some extent, by the SDPJ's minority views, which it ended up having to recognize. The tables have been turned. We are now seeing signs of the SDPJ philosophy's being reflected, and in no small way, in Japan's defense policy.

Another thing: people like Sukio Iwatare are at the vanguard of the party's left wing, and thus are violently allergic to the SDF. Now when we see him arguing about the SDF question, representing the SDPJ, it seems ridiculous. Do we really want the arguments offered by people like him, by rank amateurs, to be reflected in our national policies? This is what happens in such an instance. People begin to wonder whether their "contributions" are positive or negative.

[Tamazawa] You said that the LDP totally disregarded the views of the SDPJ, believing them to be minority views. But it is my belief that because the SDPJ argued its views in the Diet, the idea of the SDF's role as a passive defense organization gained ground. Another result was that the Japan-U.S. security agreement became more like what it should be. Furthermore, people were afraid that once the SDPJ became part of the governing coalition, the points on which it disagreed with other parties would no longer be debated in the Diet. But when parties assume a position of responsibility, that responsibility including the execution of policies, they must abandon their past dogmatic stances, and adopt a realistic attitude. Otherwise, they will accomplish nothing.

Mr. Iwatare was appointed head of the three-party survey team in charge of humanitarian aid for international peace cooperation. He went to Goma, and the conclusion he reached was the only way Japan could help these people was to send the SDF over there. He said that this was something that Japan must do. As an individual, he even criticized the media for its propagandizing. The fact that he acted responsibly and the decision he reached were major factors leading to the dispatching of the SDF to Goma.



[Imai] Then, what you're saying is that the other coalition members were not manipulated by the SDPJ. On the contrary, the fact that the others brainwashed the SDPJ, made the SDPJ see the light, worked to everyone's advantage.

[Tamazawa] No, that isn't what I'm saying. If that were true, then the coalition wouldn't work. The LDP lacked qualities that the SDPJ possessed. The SDPJ lacked qualities that the LDP possessed. Each party has educated the other, and will continue to do so, setting our nation on the right path. I think this is a very positive step for Japan.

[Imai] I see. That is the advantage of a coalition government.

[Tamazawa] Yes, it is. When one party remains in the opposition for a long time, it acquires a certain purity. But its attempts to deal with real problems and to engage in politics enter into the realm of the ridiculous. And when one party remains in control for a long time, it becomes corrupt. The LDP was aware of that fact, and establishing the new cabinet was its way of atoning for its past sins. Unfortunately, I am probably the cabinet minister with the least to offer.

[Imai] The honest but poor minister (laughter). So the LDP was saved by the SDPJ. I hope this isn't by way of returning the favor, but recently the LDP's Research Commission on Basic Issues Policies [kihon mondai chousakai] is reportedly abandoning the idea of establishing its own version of the constitution. What are your views on this?

[Tamazawa] I think that the Constitution should change with the times. I don't think we should adopt the view that the Constitution must be preserved in its present form no matter what, nor the view that it must be revised no matter what the cost. What we should do is to hold debates about the Constitution. However, as far as security is concerned, we have a system that has survived the cold war. We can protect our national security, even with the present Constitution.

Japan should participate in peacekeeping operations, since they provide us with the opportunity to contribute toward world peace. If we think that the Constitution could be revised to make such participation easier, and that portions of it are outdated, then we should discuss possible changes, with open minds. As a member of the cabinet, I will protect the constitution, and respect it, in accordance with Article 99.

[Imai] Because it is the duty of cabinet ministers and government officials to respect the Constitution.

[Tamazawa] That's correct. That's why I believe that it would be a good idea to discuss the sort of constitution that would be appropriate for the new age we have entered, and to do so with flexible attitudes.

#### Adjusting to Budget Cuts

[Imai] The YOMIURI SHIMBUN has started the debate by printing a proposal for constitutional revision. One might consider this a giant step forward for the media. It ought to raise more questions like this.

Now, the coalition's defense budget request has been prepared, and will eventually be debated in the Diet. It looks as though the defense budget increase will be a minimal one. How will you manage to run the three branches of the SDF on a budget that low? It will probably be extremely difficult to plan strategy and logistics. That's one question.

Won't the curtailed budget have a negative effect on morale? That's my other question.

[Tamazawa] First of all, in answer to your first question, about how the collapse of the cold-war structure will affect Japan: in the past, Japan perceived Soviet military strength as a latent threat. That threat has lessened, and currently, there is no nation within our vicinity that seems intent on occupying Japan by means of military force, or taking control of Japan. I doubt that there is any real danger of Japan's being occupied or forced to surrender.

Proceeding from that point, then, and I've already mentioned the three-party agreement, our first task is to engage in activities that nurture a relationship of trust among Japan and its neighbors. We must reduce the likelihood of any threat as much as possible by increasing mutual trust. We must also devote ourselves to preserving peace.

Starting on 1 December, for about two weeks, we are going to hold discussions among military experts specializing in the Asian and Pacific regions. After that, we are planning to hold conferences with other nations to discuss, for instance, Japan's relationship with Russia, in which the head of the Bureau of Defense Policy will participate.

As I said before, we plan to meet with the Chinese defense minister to discuss our relations with China. As far as North Korea is concerned, we will support the conclusion of a U.S.-North Korean agreement, one that addresses problems such as nuclear capability, or missiles.

What should our defense goals be, as we proceed to hold discussions with neighboring nations and to improve our relations with them? Funds are a problem, as are human resources. In the future, there will be fewer young people in the population. I think it's important that we give serious consideration to what sort of defense capability is appropriate for Japan now, and that includes taking into account changes in the international situation, and the application of new science and technology to military strength.

It is true that restrictions have been placed on defense expenditures, but our first priority is to maintain the



current level, as far as preserving peace and security are concerned. As for the morale problem, and other problems, we need to improve living conditions and the living standard of SDF personnel. Our budget request includes an allocation of 11 percent for pay increases, and 10 percent for improvement of living conditions. This is not much money to work with. We have also requested a higher allocation for research and development. There's no point in pouring large amounts of money into areas where it is not needed. We will try to restructure wherever possible, and since our goal is to preserve budget allocations for areas where they are needed, we will do our utmost to ensure that the quality of Japan's defense capability is not diminished.

[Imai] Along those lines, we have the problem of equipment, or the front line, and the problem of salaries and benefits, the infrastructure. My colleagues and I sometimes have the opportunity to visit Ground, Maritime, and Air SDF installations, escorted by the Defense Agency's Public Information Division. There's a real difference between the treatment accorded to the U.S. military and that accorded to the SDF. Living standards and facilities at American bases are far better than those of SDF personnel.

Ever since I noticed this difference, I've often found myself wondering why poor Japan has to squeeze out a "sympathy budget" for the benefit of the Americans, who are living like rich men. I think that even if we cannot match the American standard, we should provide better conditions for SDF personnel. But for the reasons you stated, the budget cannot be increased. This is a dilemma, isn't it.

[Tamazawa] I did say that there will be a 10-percent increase. And we've made significant improvements in housing.

[Imai] Even with "significant improvements," there's still a world of difference. I've seen places with central heating and air conditioning. I can't remember whether they were four- or five-room apartments, but I've seen them any number of times. Do you understand what I'm saying?

[Tamazawa] Yes, I do. We want to give our personnel private rooms, rather than having them all live in dormitories, or at least rooms with fewer people in them. And since the housing situation is so bad, we want to improve that, so we've been maintaining a budget allocation for that for the past several years. I'd like you to see the progress we've made.

[Imai] Yes, I'd like to see the good places. All I've seen are bad ones.

[Tamazawa] Part of the solution to the infrastructure problem will entail augmenting our intelligence network. There isn't any nation that is likely to pose a threat to Japan, to attack Japan, anytime soon. But sometimes an unforeseen incident can generate all sorts of problems, so

we should make a concentrated effort to gather intelligence on all the nations in Japan's vicinity. If that information is used correctly, it will help us with crisis management. These are things I want to devote my attention to, once Japan has established adequate systems.

[Imai] I think that information-gathering is really important. If we rely completely on the United States for intelligence, we may find ourselves at a disadvantage one day. I hope we will find a way to obtain information independently.

[Tamazawa] The SDF monitors all neighboring land, air, and sea areas, 24 hours a day.

[Imai] Is that right? If monitoring is all they're doing, if they're making an effort to collect information, then that's fine. Do they ever resort to extraordinary methods?

[Tamazawa] I'm afraid I can't provide any details about that, but their information-gathering methods are quite advanced.

[Imai] For instance, officers of the old Imperial Army and Navy residing abroad had more power than ambassadors. They had access to secret funds, and they openly engaged in spying. How about their counterparts in today's SDF? Would you classify them as diplomats?

[Tamazawa] Yes, they are diplomats. They are not engaged in obtaining military intelligence by illegal means, but while they're abroad, they pay close attention to what is going on around them. Since we're living in an information age, it is possible to obtain a great deal of information. I'm talking about newspaper and other reports that don't appear in the Japanese media. Of course, there are rumors, too. Even if SDF personnel on overseas assignments can't obtain every bit of information, they can get a good grasp of movements and trends. That's the main advantage of stationing SDF officers abroad. They concentrate on activities in the areas where they are stationed, and have the opportunity to confer with their counterparts in other nations. They certainly aren't just sitting around doing nothing.

[Imai] That's what I thought. I was hoping that they were performing some useful activities. And I understand your reluctance to provide any more details.

Is there any hope of Japan's launching a military satellite?

[Tamazawa] I think there is more likelihood for a reconnaissance satellite than for a military satellite. From the viewpoint of passive defense, that's something we're very interested in. But since some believe that space is to be used for peaceful purposes, we haven't progressed beyond this point—strong interest.

[Imai] Are there legal problems?



[Tamazawa] I don't think so. But there would have to be a Diet resolution, as well as other formalities, and we have to be able to explain our case well. Once we have committed ourselves to passive defense, since we don't know where we might be attacked, we must be aware of the possibilities, and maintain our capabilities at as high a level as possible.

[Imai] If we opt for passive defense, then we must exercise constant vigilance.

[Tamazawa] That's right. When you're faced with a defensive war, it is difficult to plan a strategy. You've heard it said that building the Great Wall of China was a wasted effort, haven't you? The French built the Maginot Line, but it was circumvented. The Germans came in from behind, from the Netherlands and Belgium. Those precedents teach us that when we opt for passive defense, we have to acquire all the intelligence necessary for us to defend our territory. We also need to form alliances with friendly nations, and maintain relationships of trust with them. I would like to emphasize the fact that taking such precautions provides us with a major deterrent.

Therefore, I intend to maintain firm ties with the United States, and a relationship of trust. You mentioned earlier that we seem to be catering to the Americans more than necessary, but if we are, this is part of ensuring Japan's security. U.S. personnel stationed here are, after all, accustomed to the American standard of living. If all their housing were in conformity with Japanese standards, no one would come here.

[Imai] The Defense Issues Council issued a report recently. From my point of view, some of it is good, and some of it bad. There was mention of a plan to restructure the Ground SDF. What are your impressions of that report?

[Tamazawa] It abounds with ideas about what Japan's new defense capability should be. It has given us at the Defense Agency some things to think about, in that some of the opinions it states are extremely critical of the agency. I plan to use the suggestions made in the report as a reference when we do our own study on Japan's future defense capability.

[Imai] Then, if there's going to be restructuring, it will start with the Ground SDF.

[Tamazawa] Yes, at least as far as personnel is concerned. Our quota is now approximately 274,000, but we're thinking about reducing that to about 240,000. This is just one of the points that we're going to have to study.

But we need to know to what extent Japan is perceived as a threat. We'll have to discuss that matter with neighboring nations, and make a final decision. We can't debate the issue here under the assumption that personnel cutbacks are a foregone conclusion. We'll have to plan for the future while we hold talks with other nations. Even if we start out by announcing that we're

going to make cutbacks, I know of no nation that would welcome such an announcement. I think we must give more thought to this matter, if we are to have an influence on other countries.

[Imai] I don't mean to contradict you, but you've stated that it wouldn't make sense to assume that personnel cutbacks were a foregone conclusion from the very start. I agree with you. But haven't there already been cutbacks? Look at the three branches of the SDF. How close to quota are they staffed? They are actually operating short of the full complement, so haven't there already been cutbacks? They're operating with the understanding that there have been cutbacks.

[Tamazawa] The Air and Maritime SDF are operating at about 95 percent.

[Imai] Even at 95 percent, that means that 5 percent is lacking.

[Tamazawa] That's right. When we're studying ways to improve defense capability, then we must base our studies on the desire for a more efficient organization. I agree that operating under quota is not a sound way of doing things.

[Imai] Sound or unsound, you're managing, aren't you?

[Tamazawa] We have had no emergencies, and that's the way it has been through the years. But if we are to have an adaptable system, then we should ensure that it is as good as it can possibly be. The time to make such adjustments is not when we're faced with an emergency. In peacetime, an organization can operate at less than 100 percent, but the time may come when we have to respond to a crisis. So, on that point, I agree with your statement, and that's why we intend to study improving our defense capability. You're saying that we need a more balanced system, aren't you?

[Imai] Yes. Also, when you're operating knowing from the start that you don't have sufficient personnel, you soon encounter the argument that you should take steps to make up for the deficiency. That's how people get to talking about restructuring and cutbacks. You say that you cannot accomplish the impossible, and that you can't be responsible for defense, if this is all you have to work with. After all, this is the Defense Agency we're talking about. You should take a firm stand.

[Tamazawa] I suppose you're right.

#### Japan-U.S. Relations—Close Ties

[Imai] You're going to hold Japan-U.S. joint maneuvers during the Murayama government, aren't you?

[Tamazawa] Yes, we are. They should begin soon. We'll be holding both real and simulated maneuvers at the same time. These will be large-scale operations.

[Imai] Then, you will be participating?



[Tamazawa] Of course. I will be aboard the Kitty Hawk. I'll be boarding a U.S. military plane at Atsugi. The plane will land on the Kitty Hawk, and from there I'll observe the maritime joint exercises. Then I'll proceed to the Ojojihara exercise grounds in Miyagi Prefecture, where I'll observe the joint ground exercises. After that, I'll be observing the combined maneuvers at the central command post.

It's important that I get a thorough grasp of the Japan-U.S. joint exercises. Once I've done that, I will have a better idea how Japan should respond to a crisis, should we be faced with one. I intend to pursue this subject to the best of my ability.

[Imai] Please approach your work with the spirit and energy you exhibit now.

[Tamazawa] Certainly.

[Imai] The Japan-U.S. relationship is experiencing difficulties for a variety of reasons. We have trade tensions, and MITI (Ministry of International Trade and Industry) and the USTR [U.S. Trade Representative] are battling each other. Japan's Defense Agency and the U.S. Defense Department used to enjoy a friendly relationship, but I've heard that that has changed recently.

[Tamazawa] That's not true. The two organizations are even closer now. In fact, principal Under Secretary of Defense Slocum said to me today, "Because of the security treaty, Japan and the United States are joined by the strongest tie of all those that bind any other two nations." I am in complete agreement with him. I went to the United States, and stood in the line of fire during the negotiations on agricultural products. Republican Senator Lugar, who was chairman of the Senate Committee on Foreign Relations, told me at that time, "You're the perfect Defense Agency director general for a coalition government."

[Imai] I think so, too.

[Tamazawa] I've been an unwavering supporter of the treaty since 1960, the year there was such turmoil over it. I think that support will give credibility to my effort to retain the security treaty, especially when difficult adjustments need to be made.

Economic friction and similar problems involve balancing diverging interests, so I think each side should state its views. But problems like that will not detract from our overall relationship of trust. The relationship of trust between Japan and the United States is, in the true sense of the word, what I would call an alliance. The proof of that alliance lies firmly in the security treaty, and I think it's vital that we be conscious of that fact.

As far as problems relating to military bases are concerned, I will ask the United States to respond to the wishes of Japanese residents living near them, in Okinawa and other places. I've already asked that the

Americans take steps to ensure that maneuvers are conducted with safety as the highest priority.

[Imai] You are without a doubt the best defense minister that either nation could hope for.

We were discussing North Korea earlier. People are afraid that North Korea has developed nuclear weapons, and that it has ballistic missiles. You mentioned that there are fewer threats to Japan now, but I believe that a threat exists. I'm wondering whether Japan's defense system is really prepared for a nuclear threat from North Korea.

Recently, I went on a tour of SDF bases in Kyushu. They have Patriot missiles there, but I was told that Patriots, though they may be able to shoot a plane down, can't shoot a missile down. If we can't improve the software and take other steps, we won't be able to prevent a nuclear attack by North Korea.

[Tamazawa] That is true of any and every nation. No effective means of protection against a long-range missile attack has been developed. Even U.S. technology is still at the research stage. There is no way that military technology can cope with something travelling at Mach 10.

An important aspect of security is the ability to defend one's nation by military means, but it's also important to conduct diplomatic negotiations with neighboring countries. Since the United States and North Korea have just reached an agreement, we must support that agreement, and not view the North Koreans as enemies. I'm hoping that we can hold discussions with them, and help them find a way to obey international rules, and to become a full-fledged member of the international community. If, for some reasons, security talks break down, then we must be ready to respond appropriately to such an eventuality.

The American military presence in Asia has played a major role in keeping the peace in this region. The fact that we have a security treaty with the United States has increased Asian nations' trust in Japan. We must take that fact into consideration in our unceasing efforts to preserve peace.

[Imai] I agree, but we also must be prepared for an emergency, no matter how unlikely it may seem now.

[Tamazawa] And that means maintaining a capable, strong SDF.

[Imai] North Korea has ballistic missiles, you know. We're talking about Mach 10, or Mach 13. I've heard that if you change the software, Patriots can down a cruise missile. But that's not good enough. There's no guarantee. What was the name of the Japan-U.S. joint project that is supposed to develop technology?

[Tamazawa] It's not a Japan-U.S. joint development project. In the United States, they have TMD [theater



missile defense]. We'll be learning a lot from the Americans, and doing a little more research before we arrive at a policy decision.

[Imai] It's going to be very expensive, isn't it.

[Tamazawa] Well, there are several systems. Here in Japan, we'll just have to see what happens. We'll just be doing research.

[Imai] Research is necessary to deal properly with any sort of problem, isn't it.

In conclusion, I'd like to ask you to share your impressions of your trip to Rwanda with our readers.

[Tamazawa] The purpose of dispatching SDF personnel is to provide humanitarian aid. This is the first time our personnel had been sent abroad for that purpose. I wanted to find a way for them to accomplish their mission, and at the same time, ensure their safety. I wanted to make sure that SDF personnel weren't being deposited in a strange place without knowing the lay of the land, or the situation there. That would really be cruel. That's why I accompanied the advance unit.

For a mission like this, we needed Rwanda's sanction, as well as the sanction of Zaire, the country where the Rwandan refugees are now. We also needed to consult Kenya, the nation from which supplies will be airlifted. We decided upon Kenya as our supply base. My most important task was to ensure that these three nations understood our mission. If they did not, then we might become entangled in needless tense situations, or needless tension or trouble. The five principles of PKO [peacekeeping operations] state that participating nations must obtain the approval of the nations concerned, and must maintain neutrality.

When I went to Rwanda, I met with the president of the new government and with the minister of defense. I explained to them that Japan's aid to the Rwandan refugees would be humanitarian aid, and that our position was neutral, and obtained their understanding. Their reply was that they would welcome us, if we promised to help them reach a permanent solution. They want to avoid a long series of temporary solutions. I don't blame them. I told them that our activities would take place over a three-month period, and they agreed.

Then I went to Zaire and met with its president. The Zairians are wary of armed troops entering their nation. I explained that our mission there would be fourfold: to provide medical care, sanitation, water supply and transport, and only that. We received permission to work there for three months. The president asked his minister of defense to cooperate with Japan in every way possible.

If we hadn't laid the groundwork as I have described, SDF personnel might run into trouble with the Zairian forces.

I don't think our people are going to be involved in skirmishes where machine guns or rifles are used. We're

simply going there to aid the refugees. It is wrong to think that we're going to be attacked by the very refugees we're there to help.

[Imai] But there is the danger of attacks by anti-government forces or guerilla activity.

[Tamazawa] I've told SDF personnel that, for the sake of their own safety, they must be alert at all times. No one is going to attack them when they are working at their activities during the day. I told them to be careful at night. I'm certain that if they are mindful of those things, they will be able to accomplish their mission.

[Imai] They'll accomplish their mission, and their work will be appreciated. That's the sort of ending I'm hoping for. I also hope that you, our best defense minister, will keep fighting the good fight. Thank you very much.

(7 November 1994)

[Boxed item: *Tokuichiro Tamazawa was born in Iwate Prefecture on 16 December 1937. He completed his graduate studies at Waseda University's Department of Political Research in 1965, after which he worked as Diet Representative Toshiki Kaifu's secretary, and as assistant professor at Oshu University. He was elected to the Diet lower house in 1976. Since then, he has served as parliamentary vice minister for agriculture, forestry, and fisheries at the Ministry of Agriculture, chairman of the Diet Committee on Agriculture, Forestry, and Fisheries, and its Special Committee on Consumer Problems. Mr. Tamazawa assumed his present position in June 1994. He is currently serving his sixth term as a Diet representative, elected from District No. 1 in Iwate Prefecture.*]

## North Korea

### Rejection of ROK Reactors, KEDO Stressed

SK1003043195 Pyongyang KCNA in English  
0420 GMT 10 Mar 95

["Destiny of DPRK-U.S. Agreed Framework Depends on U.S. Attitude"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 10 (KCNA) - The attention of the world public is now focussed on the choice of the light-water reactor model, a key point in the implementation of the DPRK-U.S. agreed framework. It is because this issue concerns the destiny of the agreed framework.

We have already unequivocally declared that we can never accept light-water reactors (LWRs) of South Korean-type in any case for political and technical safety reasons.

This is the unshakable demand and stand of principle proceeding from our national interests.

The United States and the South Korean puppets, however, are now making unreasonable remarks that the DPRK's principled stand toward the reactor model is



"diplomatic tactics on the edge of a cliff," "a threat" and "a scheme to get concession". These utterances are intended to justify their unreasonable attempts to mislead fair public opinion on our just demand and force us at any cost to accept LWRs of South Korean model.

With regard to the provision of light-water reactors to us according to the agreed framework, the United States said "South Korean-made reactors are the only viable choice" and recently published a joint communique on the provision of light-water reactors of South Korean model. On March 9 it officially inaugurated the "Korean peninsula Energy Development Organization (KEDO). Specified in the agreement on its inauguration are "provision of two South Korean standard-model LWRs.

KEDO was set up, for the United States needed it. We have not recognized it and do not want to know about it.

But it is a challenge to the dialogue partner and an intolerable act for the United States to insist on the light-water reactors of South Korean model in disregard of our repeated opposition.

This shows well that the United States ignores us, its dialogue partner, while speaking for the sinister political purpose of the South Korean puppets who have nothing to do with the implementation of the agreed framework.

It is not difficult to guess that a sinister political purpose of working some mischief in the North is lurking behind the South Korean puppets' clamour for the supply of their light-water reactors to the North.

The South Korean model, as we made clear more than once, does not provide a technical guarantee for safety and it is ghost-like, its entity not yet existing.

It is very foolish of the South Korean puppets to try to impose on us a fictitious type which is not yet born and which nobody has ever used, by attaching the label of "standard model" to it. This cannot but be a target of derision and denunciation.

The United States must know this. However, it insists on the introduction of the South Korean model LWRs, taking sides with dishonest forces. This contradicts the spirit of the DPRK-U.S. agreement and cannot be construed otherwise than a pressure upon us.

This pressure of the U.S. which can never work with us makes us doubt its will to implement the agreement and doubt with deep apprehensions if an agreement on the provision of LWRs will be signed by April 21, the deadline.

At this moment when the United States is insisting on the unreasonable demand which we can never accept, it is our predominant premonition that an agreement on the provision of LWRs may fail to see the light and the DPRK-U.S. agreed framework may be reduced to a sheet of paper.

We do not want to see the nullification of the agreed framework. But we cannot cling to it at the expense of national interests and sovereignty, yielding to the unreasonable demand of the dialogue partner.

Even if an agreement on the provision of LWRs is not signed within the time limit owing to the insistence of the United States on the South Korean model, we will go our own way with no fear.

This is our legitimate right.

We do not like an empty talk and we mean what we say.

The United States had better think over the matter, clearly aware of our unshakable will.

The destiny of the DPRK-U.S. agreed framework depends on the attitude of the United States.

### **Paper Denounces U.S. Asian 'Security Strategy'**

*SK1003052995 Pyongyang KCNA in English  
0457 GMT 10 Mar 95*

[*"What is 'Security Strategy' Aimed At"?—KCNA headline*]

[*FBIS Transcribed Text*] Pyongyang, March 10 (KCNA)—The U.S. Defense Department laid stress on a "decisive countermove" against the fictitious "threat to South Korea from the Democratic People's Republic of Korea" in a new "security strategy" called a comprehensive Asia-Pacific strategy toward the 21st [words indistinct] this shows that the U.S. ambition to stifle the DPRK with strength and dominate the world remains unchanged, an analyst of NODONG SINMUN today says, and continues:

In the "security strategy", the United States announced that it would keep its Armed Forces in South Korea "even after the DPRK completely abandons its nuclear development." This means nullifying its much-touted program of cutting back the U.S. Forces present in South Korea. Accordingly, it is tantamount to an open declaration of its perpetual occupation of South Korea.

The United States also declared that it would promptly reinforce its Armed Forces if necessary and beef up the U.S. 2nd Division with two heavily-armed mobile brigades and one flying wing and strengthen the support of the 17th Flying Wing and the Seventh Air Force for them.

The situation of the Korean peninsula remains strained and the peace and security of the Asia-Pacific region have been gravely threatened owing to the U.S. policy of stifling the DPRK and its reckless moves to realise its Asia-Pacific strategy.

The threat of aggression on the Korean peninsula comes from the South, not from the North.

The "security strategy" is aimed at permanently occupying South Korea and invading the DPRK. It is also a strategy for a military aggression to realise the U.S. dominationist purpose.



It is a foolish design if the United States thinks that it can threaten and bring the DPRK to its knees.

The United States would be well advised to stop reckless acts.

### **ROK Said To Place Soldiers, Weapons in DMZ**

*SK1003102595 Pyongyang KCNA in English  
1011 GMT 10 Mar 95*

["Unending Military Provocations in DMZ"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 10 (KCNA)—On March 6 and 7, the South Korean puppets introduced armed bandits into the area of the Demilitarized Zone (DMZ) in the central sector of the front and let them fire more than 100 machinegun and automatic rifle bullets and brought 12.7 mm large-calibre machine guns in the southern portion of the DMZ in the eastern sector of the front before taking a firing gesture, according to military sources.

As many as 1,200 bandits of the puppet army armed with machine guns and automatic weapons swarmed into the southern portion of the DMZ in the western, eastern and central sectors of the front from March 4 to 8, creating an atmosphere of war.

The repeated military provocations of the South Korean puppets have rendered the situation in the DMZ further strained and seriously threatened the safety of the civil police of the North side who were on routine duty.

The South Korean puppets must look squarely at the trend of the times and stop behaving recklessly. And they must stop military provocations in the DMZ at once and immediately withdraw the armed bandits and heavy weapons illegally introduced.

### **PRC Spokesman Cited on Korean Armistice Accord**

*SK1003124695 Pyongyang Korean Central  
Broadcasting Network in Korean 1200 GMT 10 Mar 95*

[FBIS Translated Text] A spokesman for the Chinese Foreign Ministry commented on setting up a new peace system on the Korean peninsula while answering reporters' questions at a weekly briefing on 9 March. He said as follows: Great changes have taken place in the international situation and on the Korean peninsula. Therefore, we think some changes [chojong] should be made to this. We deem that replacing the Armistice Agreement with a peace system is one of the ways. The relevant countries should create the necessary conditions for this. We hope that the relevant countries solve such a dispute through dialogue.

### **Symposium Held on Return of Prisoners in ROK**

*SK1003052895 Pyongyang KCNA in English  
0504 GMT 10 Mar 95*

[FBIS Transcribed Text] Pyongyang, March 10 (KCNA)—A symposium of lawyers and Red Cross officials on the repatriation of unconverted long-term prisoners in South Korea was held in Pyongyang on March 9.

Speeches were made at the symposium on the subjects "It Is Natural Lawful Right for Unconverted Long-Term Prisoners in South Korea Kim In-so, Ham Se-hwan and Kim Yong-tae to come back to northern half of Korea", "The Issue of Unconverted Long-Term Prisoners in South Korea Is Typical Issue of Human Rights", "The Issue of Unconverted Long-Term Prisoners in South Korea Is a Pressing Matter in the Solution of Red Cross Humanitarian Issue" and "Manoeuvres of South Korean Puppets Opposing the Repatriation of Unconverted Long-Term Prisoners and Their Unreasonableness".

The speakers said that to return the POWs to their homeland is the principle of the international law and a matter of human ethics. They explained that the unconverted long-term prisoners in South Korea must return home as POWs.

"The South Korean puppets are detaining and persecuting the unconverted long-term prisoners, not repatriating them. This is a downright challenge to Hague convention, Geneva convention, the international humanitarian law and regulations and the Korean Armistice Agreement," they noted.

They cited that the unconverted long-term prisoners are completely deprived of the freedom of choice of idea and the freedom of political activities and undergoing physical sufferings which go beyond human imagination, fettered by the "National Security Law".

The South Korean Red Cross is not only following the anti-national, inhumane acts of the Kim Yong-sam group but leaving the authorities to use even the exchange of letters between the unconverted long-term prisoners and their families in the North for a political purpose, the speakers said.

Noting that the great leader Comrade Kim Chong-il told earnestly that to realise the repatriation of the unconverted long-term prisoners in South Korea means to discharge the obligation toward the revolutionary comrades, they stressed that the South Korean authorities must send back the unconverted long-term prisoners to the northern half of Korea unconditionally and immediately.

The speakers expressed the hope that the South Korean people, overseas Koreans, political parties, organisations and lawyers of all countries of the world to wage a more extensive struggle to repatriate the unconverted long-term prisoners in South Korea to the northern half of Korea.

### **Turkish Party Leader Supports Korean Unification**

*SK1003053295 Pyongyang KCNA in English  
0508 GMT 10 Mar 95*

[FBIS Transcribed Text] Pyongyang, March 10 (KCNA)—The chairman of the Republican People's Party of Turkey hoped that an early reunification of the North and South of Korea will be achieved by the confederacy formula in keeping with the worldwide



trend toward detente, when he met with the visiting Korean friendship delegation led by the vice-chairman of the Korea-Turkey Friendship Association.

The party leader said the Republican People's Party of Turkey stands true to the principle of peace, friendship and solidarity in the ties with other parties, and affirmed that his party will develop the relations with the Workers' Party of Korea, on this principle.

Klaus Riis, chairman of the Danish Communist Party (M-L), when he met the Korean Ambassador to Denmark who paid him a courtesy call, said he was pleased that the Workers' Party and the people of Korea are pressing on with socialist construction, frustrating the imperialist's intervention and attempt to isolate them.

"The Korean people are making active efforts for durable peace and security on the Korean peninsula and an early reunification of Korea," he said, adding "we will in the future, too, stand behind the Korean people in the struggle."

#### **Koreans in Japan Criticize ROK Government**

*SK1003103795 Pyongyang KCNA in English  
1008 GMT 10 Mar 95*

[FBIS Transcribed Text] Pyongyang, March 10 (KCNA)—A resolution which was adopted at the third meeting of representatives of the Federation of South Koreans in Japan for Democracy and Unification (Hantongnyon) stressed the need to reject the "civilian" dictatorship of Kim Yong-sam and more vigorously fight for independence, democracy and reunification, according to the March 1 edition of MINJOK SIBO, a newspaper of overseas Koreans published in Japan.

The Kim Yong-sam regime refused the abolition of the "National Security Law" and the dissolution of the "Agency for National Security Planning" and established a new "security-oriented rule," the resolution said.

Noting that the South Korean puppet clique has gotten overheated in an attempt to stifle the DPRK, charging it with "nuclear issue", it denounced it as an anti-national, anti-reunification act which can never be pardoned within the nation.

With the Kim Yong-sam regime left intact, there is nothing to expect from it, the resolution said, laying stress on establishing an independent and democratic government and achieving the reunification of the country on the three principles of independence, peaceful reunification and great national unity.

#### **Service Held for Anti-Japanese Revolutionaries**

*SK1003053395 Pyongyang KCNA in English  
0442 GMT 10 Mar 95*

[FBIS Transcribed Text] Pyongyang, March 10 (KCNA)—Pyongyang memorial service was held at the People's Palace of Culture on March 9 on the lapse of 50

years since the death of communist revolutionary fighters—Kwon Yong-pyok, Yi Che-sun, Chi Tae-hwan and Yi Tong-kol.

Kwon Yong-pyok, Yi Che-sun, Chi Tae-hwan and Yi Tong-kol, who had participated and resolutely fought in the anti-Japanese revolutionary struggle led by the great leader President Kim Il-song, were arrested by the Japanese imperialists, while conducting political operations in the homeland, and continued to struggle in prison for a long period and died a hero death on the gallows on [passage indistinct].

Attending the memorial service were Pak Song-chol, Politburo member of the Central Committee of the Workers' Party of Korea [WPK] and vice-president, and other senior party and state officials, anti-Japanese revolutionary fighters and people from all walks of life.

Choe Tae-pok, Politburo member and secretary of the WPK Central Committee, delivered a memorial address.

He said that Kwon Yong-pyok, Yi Che-sun, Chi Tae-hwan and Yi Tong-kol were true communist revolutionaries of chuche type who remained loyal to the great leader to the end of their lives with absolute worship of the leader of revolution. The speaker quoted the great leader Comrade Kim Chong-il as saying:

"In view of both their distinguished service and their fighting spirit, the anti-Japanese revolutionary fighters are the model of revolutionaries and the paragons of heroism whom our people must follow from generation to generation."

The speaker said:

Kwon Yong-pyok, Yi Che-sun, Chi Tae-hwan and Yi Tong-kol held in high esteem respected Comrade Kim Il-song as the sun of the nation, father of their destinies and great teacher, completely fascinated by his greatness and regarded it as their immovable view of life to devote their whole lives to the revolutionary cause of the leader.

They displayed unparalleled loyalty and courage in numerous battles and difficult underground operations and performed distinguished feats in the undertakings to make the people in the Changbai area revolutionaries with the Mt. Paektu base as its axis and carry into reality the chuche-based policy of party founding and the line of anti-Japanese national united front advanced by the leader.

They were arrested by the Japanese imperialists who had received a secret information from a betrayer. From then on, they remained loyal to the revolutionary principles, though they were put to harsh tortures and threat and blackmail for 6 to 8 years.

They remain alive in the hearts of our people as indomitable revolutionary subjects, today, tomorrow, nay, forever under the noble loving care of the great leader Comrade Kim Il-song and the great leader Comrade Kim Chong-il.



Choe Tae-pok called for upholding the guidance of the great leader Comrade Kim Chong-il, our destiny and future, with a single heart of loyalty and devotion coupled with absolute worship of him as the anti-Japanese revolutionary forerunners had remained unfailingly faithful to the great leader Comrade Kim Il-song.

#### **Officials Attend Memorial Service**

*SK1003114295 Pyongyang Korean Central  
Broadcasting Network in Korean 0758 GMT 9 Mar 95*

[Memorial service marking the 50th anniversary of the death of anti-Japanese fighters held at the People's Palace of Culture in Pyongyang—live]

[FBIS Translated Excerpt] This is the People's Palace of Culture in Pyongyang. A memorial service marking the 50th anniversary of the death of communist revolutionary fighters Kwon Yong-pyok; Yi Che-sun; Chi Tae-hwan; and Yi Tong-kol, who were endlessly loyal to the great leader Comrade Kim Il-song, will be held at this place.

Hung in the backdrop of the platform are red flags and a "1945- 1995" placard. Slogans reading "Long live the great leader Comrade Kim Il-song!" and "Long live the glorious Workers Party of Korea [WPK]!" are also installed at this place.

Hung also in the place are slogans such as "Let us learn from the endless loyalty rendered by the anti-Japanese revolutionary fighters to the great leader Comrade Kim Il-song!" and "Let us inherit and continue to develop our party's brilliant revolutionary tradition!"

Participating in the memorial service are members of the WPK Central Committee who are in the city of Pyongyang; functionaries of the party, the power organs, administrative and economic organs, social organizations, and central organizations; anti-Japanese revolutionary fighters; bereaved families of the deceased revolutionary fighters; generals and soldiers of the Korean People's Army [KPA]; functionaries of the sectors of science, education, culture, arts, public health, the media, and the press; and residents, youths, and students of the city.

Also participating in the memorial service are various delegations of the General Association of Korean Residents in Japan [Chongnyon] now staying in the socialist fatherland.

Solemnly looking back on the brilliant lives of the fighters who conducted heroic feats in the anti-Japanese front and met heroic deaths, the participants of the service are making a burning resolve to faithfully uphold the leader of the revolution and to devote themselves to the consummation of the chuche revolutionary cause as the fighters did.

Appearing at the platform are Comrade Pak Song-chol, member of the Political Bureau of the WPK Central Committee and vice president; Comrade Choe Kwang, member of the Political Bureau of the WPK Central

Committee and chief of the General Staff of the KPA; Comrades Kye Ung-tae and Han Song-yong, members of the Political Bureau of the WPK Central Committee and secretaries of the party Central Committee; other cadres of the party and the state; KPA vice marshals; responsible functionaries of working people's organizations; anti-Japanese fighters; and KPA commanders and officials.

Pak Nam-ki, chairman of the Pyongyang Municipal Administrative and Economic Committee, will emcee the memorial service. [passage omitted including Pak announcing the opening of the memorial service and music]

Comrade Choe Tae-pok, candidate member of the Political Bureau of the WPK Central Committee and secretary of the party Central Committee, will deliver a memorial speech.

[Choe] [passage omitted on historical background of the anti-Japanese struggle and the personal history and achievements of the fighters] The great leader [yongdoja] Comrade Kim Chong-il said: In view of both their distinguished service and their fighting spirit, the anti-Japanese revolutionary fighters are the model of revolutionaries and the paragons of heroism whom our people must follow from generation to generation.

Kwon Yong-pyok, Yi Che-sun, Chi Tae-hwan, and Yi Tong-kol were true communist revolutionaries of the chuche type who remained loyal to the great leader to the end of their lives and absolutely worshiped the leader [suryong] of the revolution. The aspect that ran thorough their lives was the clear revolutionary outlook on the leader and the limitless loyalty toward the leader's idea and leadership.

Even though Kwon Yong-pyok, Yi Che-sun, Chi Tae-hwan, and Yi Tong-kol were about two to 10 years older than the great leader Comrade Kim Il-song, they unanimously upheld the great leader as the sun of the nation, father of the destinies, and great teacher; were completely fascinated by his greatness and regarded as their unflinching outlook of life to devote their whole lives to the revolutionary cause of the leader. [passage omitted on the fighters' loyalty toward Kim Il-song and Kim Chong-il's love for old veterans]

#### **Foreign Ministry Reception Marks Castro's Visit**

*SK1003043395 Pyongyang KCNA in English  
0409 GMT 10 Mar 95*

[FBIS Transcribed Text] Pyongyang, March 10 (KCNA)—The International Department of the Central Committee of the Workers' Party of Korea [WPK] and the Foreign Ministry hosted a reception on March 9 on the occasion of the 9th anniversary of the Korea visit of Fidel Castro, first secretary of the Central Committee of the Communist Party of Cuba, president of the Council of State and president of the Council of Ministers of the Republic of Cuba.



Present at the reception were Pak Kyong-son, a vice department director of the WPK Central Committee, Song Ho-kyong, vice-minister of foreign affairs, and officials concerned.

Invited there were Cuban Ambassador to Korea Jose Ramon Rodriguez Varona and his embassy officials.

Speeches were exchanged at the reception.

#### **Foreign Leaders Support Koreans' 'Justice' Cause**

*SK0903235095 Pyongyang KCNA in English  
1502 GMT 9 Mar 95*

["Korean People's Cause of Justice Supported"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 9 (KCNA)—Foreign head of state and party leaders warmly supported the Korean people's cause of justice when they met Korean ambassadors to their countries.

Angolan President Jose Eduardo dos Santos stated:

The government and people of Angola will always stand on the side of the government and people of the Democratic People's Republic of Korea striving for the independent and peaceful reunification of the country.

The enormous achievements of the Korean people in their economic construction encourage the struggle of the Angolan people.

General Secretary of the Central Committee of the Peruvian Communist Party Renan Raffo Munoz said:

The Korean people, singleheartedly united around the great leader Comrade Kim Chong-il, are now energetically accelerating the building of Korean-style socialism started by the great leader President Kim Il-song.

The looks of Korea vigorously advancing under the banner of socialism, guided by the great leader Comrade Kim Chong-il, is an encouragement to us.

He extended support and solidarity to the struggle of the Korean people.

Leader of the Malta Labour Party Alfred Sant said:

Although the Korean people, to their deep grief, suddenly lost the great President Kim Il-song last year, they have satisfactorily resolved DPRK-U.S. relations and other matters of world-wide concern under the wise leadership of His Excellency Kim Chong-il. These are very wonderful achievements.

He expressed the hope that, under the leadership of his excellency the great Kim Chong-il, the Korean people would surely realise their desire for national reunification and make further progress and prosperity.

#### **Hwang Chang-yop, WPK Delegates Travel Reported**

##### **Hold Talks, Attend Banquet**

*SK1003010695 Pyongyang Korean Central  
Broadcasting Network in Korean 1300 GMT 6 Mar 95*

[FBIS Translated Text] A delegation of the Workers Party of Korea [WPK] headed by Hwang Chang-yop, secretary of the WPK Central Committee, paid a courtesy call on Madhav Kumar Nepal, general secretary of the Central Committee of the Communist Party of Nepal-United Marxist and Leninist [CPN-UML], on 1 February and held the first round of talks.

Attending the talks were the CPN-UML general secretary, the deputy general secretary, the director of international department, and functionaries concerned from the Nepalese side, all members of the WPK delegation, and the DPRK ambassador to Nepal from our side. The delegations discussed issues of mutual concern.

The delegations held a second round of talks on 3 February.

On 2 February, the WPK Delegation met with the leading members of the CPN-UML departments, and publishing and press functionaries of the CPN-UML. The head of the WPK delegation gave a lecture on our party's *chuche* idea, the experience of building our party and country, and the superiority of our own style of popular masses-centered socialism. After the lecture, the head of the delegation also answered questions raised by the attendees. In concluding the meeting, the director of the CPN-UML international department said the DPRK-style socialism is victorious because the great leader Comrade Kim Il-song and the dear leader [*chidoja*] Comrade Kim Chong-il presented a correct line and built the strongly and solidly united and disciplined WPK, and made the DPRK people brave and indomitable. He stressed that this is an example from which the CPN/UML should learn.

On the same day, the WPK delegation was invited to a banquet hosted by the CPN-UML Central Committee. Speeches were delivered during the banquet. In his speech, General Secretary Madhav Kumar Nepal highly appraised the DPRK people's achievement in revolution and construction made under the wise leadership of the great leader Comrade Kim Il-song and the great leader [*yongdoja*] Comrade Kim Chong-il. He stressed that he hopes the diligent and courageous DPRK people will make even greater achievements in the future under the energetic leadership of the great leader [*yongdoja*] Comrade Kim Chong-il.

The attendees of the banquet drank a toast to the immortality of the great leader Comrade Kim Il-song, and to the longevity of the great leader [*yongdoja*] Comrade Kim Chong-il, the King of Nepal Birendra Bir Bikram Shah Dev, and Prime Minister Man Mohan Adhikari.



On 3 February, the WPK delegation paid courtesy calls on the speakers of the House of Representatives and the National Council.

#### **Depart Kathmandu, Nepal 5 Mar**

*SK1003010795 Pyongyang Korean Central  
Broadcasting Network in Korean 1300 GMT 7 Mar 95*

[FBIS Translated Text] A Workers Party of Korea [WPK] delegation led by Hwang Chang-yop, secretary of the WPK Central Committee, left Kathmandu on 5 March after concluding its visit to Nepal. Those who saw the delegation off at the airport were Madhav Kumar Nepal, general secretary of the Nepal Communist Party United Marxism-Leninism Central Committee; the deputy general secretary; the chief of the party's International Department; (Narayanman Pidkche), chairman of the Nepal Workers and Peasants Party; other pertinent officials; and the DPRK ambassador to Nepal.

During their stay, the delegation held talks with a Nepal Workers and Peasants Party delegation on 4 March. On this occasion, the chairman of the Nepal Workers and Peasants Party asked the head of the delegation to convey his sincere greetings to the great leader [yongdoja] Comrade Kim Chong-il. He said that great Comrade Kim Chong-il is elucidating our era's road with his far-sightedness and extraordinary insight and his creative ideological and theoretical activities. He highly praised the immortal achievements which the great leader Comrade Kim Il-song has brought about.

He also said that the Nepal Workers and Peasants Party is carrying out its party building task and activities based on the great leader [yongdoja] Comrade Kim Chong-il's immortal classic work "Socialism Is a Science" and that the WPK's experiences in struggle are the only model in the modern communist movement.

That day, the delegation was invited to a mass rally to welcome the delegation. Members of the Nepal Workers and Peasants Party attended the rally. The head of the WPK delegation and the chairman of the Nepal Workers and Peasants Party spoke at the rally.

The delegation visited (Paktakkor) City and (Nagarcost). The chairman of the Nepal Workers and Peasants Party, the mayor of (Paktakkor), and pertinent officials received the delegation with approximately 2,000 welcoming crowds. WPK flags were flying at various places in the city, and such slogans as "Let us unite under banner of the Pyongyang declaration!" were placed in many places. The delegation was invited to a luncheon hosted by the chairman of the Nepal Workers and Peasants Party and a banquet held at the (Paktakkor) City Hall. The participants made a toast for the long life and good health of the great leader [yongdoja] Comrade Kim Chong-il.

#### **Arrive in Pakistan 5 Mar**

*SK1003020695 Pyongyang Korean Central  
Broadcasting Network in Korean 1300 GMT 7 Mar 95*

[FBIS Translated Text] A Workers Party of Korea [WPK] delegation led by Hwang Chang-yop, secretary of the WPK Central Committee, arrived in Islamabad, Pakistan, on 5 March. Those who received the delegation at the airport were (Hurushid Hasan Mir), a secretary to the chairman of the Pakistan People's Party [PPP] who is also the secretary-general of the PPP Central Secretariat; (Seyed Husayn Buhari), chairman of the Islamabad PPP Committee; (Seyed Aburar Ali Rijuri), general secretary of the PPP; the Pakistani minister of law and justice and parliamentary affairs; the chairman of the Cultural [word indistinct]; a secretary of the PPP Central Secretariat; and other pertinent officials.

Prior to this, the delegation passed through Karachi, Pakistan. An adviser to the prime minister of the Sind Provincial Government, the general secretary and the information secretary of the PPP Sind Committee, and other pertinent officials, received and saw off the delegation at the airport.

#### **Kim Pyong-sik Attends Social Development Summit**

*SK1003031895 Pyongyang Korean Central  
Broadcasting Network in Korean 1300 GMT 7 Mar 95*

[FBIS Translated Text] According to reports, the World Summit on Social Development opened in Copenhagen, capital of Denmark, on 6 March.

Delegations and delegates from 170 countries of the world, including a DPRK delegation led by Vice-president Kim Pyong-sik, are participating in the summit.

The meeting opened on the initiative of the Group of 77 developing countries, and its major agenda item is the issue of abolishing unemployment, poverty, and social inequality.

During a speech at the opening session, UN Secretary General Butrus Butrus-Ghali said that 1.3 billion people are living in absolute poverty, that 1.5 billion people cannot afford the most basic medical services, and that 70 percent of those discriminated against are women. He also stressed a need to abolish poverty, create more jobs, and reduce social inequality.

The Philippine delegate, who spoke as the representative of the Group of 77, called for forgiving the debts of countries burdened with huge debts. The Malaysian delegate called for improving women's status in all fields of society.

The meeting will continue until 12 March.

#### **'Feelings of Reverence' for Kim Chong-il in ROK**

*SK1003044195 Pyongyang KCNA in English  
0427 GMT 10 Mar 95*

[*"Respected General Kim Chong-il, Leader of Reunified Country"—KCNA headline*]



[FBIS Transcribed Text] Pyongyang, March 10 (KCNA)—The feelings of reverence for the great leader Comrade Kim Chong-il are growing stronger among the South Korean students and people of other strata with every passing day.

A survey conducted by the Study Room of Students' Idea of Seoul National University among 216 students of the university on the occasion of the birthday of Comrade Kim Chong-il this year showed that 92 percent of the respondents read with avidity the works of Comrade Kim Chong-il and books and materials on the history of his revolutionary activities, his undying feats and noble virtues, according to the radio Voice of National Salvation from Seoul.

The survey also referred to a wall poster appeared in the compound of Seoul National University, which reads as follows:

"The respected leader Kim Chong-il is just the great President Kim Il-song.

"The leader Kim Chong-il is the greatest of great men, who has inherited the idea, leadership ability and popular virtues of President Kim Il-song. Respected General Kim Chong-il is the only hoped-for leader of a reunified country."

According to a dispatch from the North Cholla provincial committee of the National Democratic Front of South Korea (NDFSK) quoted by the radio Voice of National Salvation in Seoul, Kim Tong-ho, a gardener residing in Chonju, told his colleagues on Feb. 16: "The great leader Kim Chong-il is the only person who will reunify the country and assume the responsibility for the destiny of our Tangun nation.

"Isn't it the duty of our 70 million fellow countrymen to hold the leader Kim Chong-il in high esteem?

"Good health and a long life of the great leader Kim Chong-il is the happiness of the Tangun nation and all our hopes."

According to a dispatch from the Kangwon provincial committee of the NDFSK quoted by the radio Voice of National Salvation in Seoul, Pak In-chol, a resident in Tong-myon, Yanggu County, Kangwon Province of South Korea, told his family that with February 16 the 70 million Koreans came to have a peerless great man, as is envied by the world people. He went on:

"Only when we hold the general in high esteem, can the dignity of the nation throw its more brilliant rays throughout the world and the 70 million fellow countrymen live the happiest life in a reunified country. Let all of us make a deep bow to him on the auspicious holiday of February."

#### **Kim Chong-il Receives More Messages From Abroad**

*SK1003042295 Pyongyang KCNA in English  
0406 GMT 10 Mar 95*

[Spelling of all names as received]

[FBIS Transcribed Text] Pyongyang, March 10 (KCNA)—The great leader Comrade Kim Chong-il received messages of greetings from party leaders of different countries on his birthday.

Messages came from Tridib Chouduri, general secretary of the Revolutionary Socialist Party of India; Hasanul Huq Inu, general secretary of the Central Executive Committee of the Bangladesh National Socialist Party; A.F.M. Mahbubul Huq, convener of the Central Committee of the Socialist Party of Bangladesh; Iqbal Ahmed Khan, general secretary of the Pakistan Muslim League; and Rafael Aguilar, national chairman of the Central Committee of the Lazaro Cardenas Front Party for National Reconstruction of Mexico.

The messages extend warmest congratulations to Comrade Kim Chong-il and wish him a long life in good health.

The messages express the belief that the Korean people will make great achievements in the efforts for socialist construction and the independent and peaceful reunification of the country under the wise leadership of Comrade Kim Chong-il.

#### **African Groups on Marking Kim Il-song Birthday**

*SK1003045995 Pyongyang KCNA in English  
0433 GMT 10 Mar 95*

[FBIS Transcribed Text] Pyongyang, March 10 (KCNA)—The Zimbabwean National Committee for the Study of the Chuche Idea, the Zimbabwe-Korea Solidarity and Friendship Association and the Harare provincial committee of the Zimbabwe African National Union-Patriotic Front on March 2 published a joint appeal for designating April 15 as "April 15 international day of peace and friendship" on the occasion of the birth anniversary of the great leader President Kim Il-song.

The document says President Kim Il-song was a peerless hero and great man of the century who devoted his whole life only to the freedom and happiness of the people, world peace and security and friendship and unity among the peoples.

It calls upon progressive political parties, chuche idea study organisations and organisations for friendship with the Korean people as well as peace-loving people of all countries to celebrate April 15, the birth anniversary of President Kim Il-song, as "April 15 international day of peace and friendship", representing the earnest desire of the world peaceloving people to make the most of the day.

Noting that though President Kim Il-song passed away, he is always with humankind, it calls for holding various events and conducting a movement to study his greatness on a wide scale, while looking back on the imperishable exploits of President Kim Il-song who was a great leader of the era of independence on "April 15 international day of peace and friendship".

It also calls upon the world people to mount a powerful world-wide struggle against war and for total dismantling



of nuclear weapons, extend firm solidarity to the Korean people in their struggle for national reunification and socialism under the tested guidance of the great leader Comrade Kim Chong-il and express active support for their righteous struggle with "April 15 international day of peace and friendship" as an occasion.

#### **Rural Communities Work To Secure Irrigation**

*SK1003133195 Pyongyang Korean Central  
Broadcasting Network in Korean 1200 GMT 9 Mar 95*

[FBIS Translated Text] Rural communities in South Pyongan Province are more vigorously carrying out a struggle to secure sufficient irrigation water for this year's farming. Agricultural workers in the province—who vigorously rise again in having a great bumper crop this year, the significant year of marking the 50th anniversary of the founding of the party and of the 50th anniversary of the liberation of the fatherland—have gained a proud achievement by successfully carrying out the extension project of the 13.7 km-long 11 branch lines [chison] of the fourth main line [Kanson] of the South Pyongan Provincial Irrigation, removing approximately 203,000 cubic meters of soil during the past three days.

In particular, during the last four days, agricultural workers at the Yoldu 3,000-ri plain have completed the waterway [word indistinct], the basic branch line, running from Yonpung to Anju city; Mundok, Sukchon, and Pyongwon Counties. After this, they repaired structures by washing [kasyonago] the branch lines.

Agricultural workers in Onchon County and Chongsan County, who are mobilized into the waterway project between Kiam irrigation and Chongsan [word indistinct], deeply excavated the bottom of the waterway and built a high bank. Also, party members and working people in Pyongwon and Sukchon Counties have successfully completed the extension project of the waterway between Kumpung-ri in Sukchon County and Yona District.

#### **Cooperative Farm Prepares for Spring Farming**

*SK1003103595 Pyongyang KCNA in English  
1004 GMT 10 Mar 95*

[FBIS Transcribed Text] Pyongyang, March 10 (KCNA)—The cooperative farm in Chondok-ri, Pongsan County, North Hwanghae Province, is making full preparations for spring farming.

The cooperative farm has finished the production and carriage of compost and completed the repair and readjustment of farm machines, and is now making substantial preparations for sowing including maize humus pots and cold beds for rice seedlings.

Situated in the central western part of Korea, Chondok-ri was known to be a place hard to inhabit before the country was liberated.

Paek Chong-nam, chairman of the management board of the cooperative farm, explained the reason why the village was named Chondok. The word Chon means heaven and Dok virtue. In other words, the word Chondok means that the village, which had been barren and short of water, was difficult to inhabit without "virtue" of heaven.

Even in the mid-1950s, Chondok-ri had eight hectares of paddy fields and nine hectares of orchard. There was neither minor farm machine nor irrigation network. Most of dwelling houses were straw-thatched ones. Only twelve of them were tile-roofed houses.

One day of December 1957, the great leader President Kim Il-song visited Chondok-ri and opened up a bright prospect for rural construction.

The president saw to it that an irrigation canal with Lake Sohung as a source of water was built in Chondok-ri with state funds and sent tractors and other farm machines there. And he took measures to build many dwelling houses, so that the farmers might do farming with the help of machines and live a happy life like urban dwellers.

It was under the deep loving care of the great leader that Chondok-ri has been turned into a modern socialist rural village good to work and live in.

The cooperative farm has more than 250 hectares of standardized fields and nearly 70 hectares of orchard. All fields are watered through the irrigation network.

The farm has as many as 100 tractors, lorries, rice-seedling transplanting machines, rice-seedling plucking machines and other tractor-drawn farm machines and one engineer or associate engineer of every five farmers.

2-4 storied modern apartment houses and cultural and public service establishments including school, kindergarten, nursery, clinics and shop have been built there.

Agricultural output is on the yearly increase. Last year's per-hectare rice output was 5.2 times and maize 6 times over the figures of 1957.

The production of fruit, eggs, meat and vegetables has also increased.

#### **South Korea**

#### **PRC Rejects Polish NNSC Members' Request**

*SK1003024695 Seoul YONHAP in English 0235 GMT  
10 Mar 95*

[FBIS Transcribed Text] Seoul, March 10 (YONHAP)—The Chinese Government has rejected the Polish Government's request to allow six Polish members of the Neutral National Supervisory Commission (NNSC) of the Korean armistice to stay in Beijing to continue their routine NNSC activities, an informed South Korean Government source said Friday.



The Polish Government, therefore, plans to make an official announcement on its decision to get its NNSC members to keep up their duties back in Poland, shortly after they arrive in Warsaw, according to the source.

"The Polish Embassy in Beijing discussed with the Chinese authorities about possible ways for the Poles to continue their role as NNSC members in Beijing. But China rejected the Polish request, citing that China is a member country of the Korean Military Armistice Commission and that Beijing has to take account of North Korea's position," the source said.

The Poles arrived in Beijing Thursday [9 March] from Pyongyang after being evicted by the North Korean Government from the truce village of Panmunjom.

While negotiating with Poland, the source said, China reportedly expressed the view that the Korean military armistice system is desired to be replaced by a new peace regime since it has lost its practical efficiency.

The Polish NNSC members, led by Maj. Gen. Krzysztof Owczarek, will return to Poland in three days, he said.

#### **Poland 'Seeking' To Station NNSC in ROK**

*SK1003055595 Seoul CHUNGANG ILBO in Korean 10 Mar 95 p 2*

[Report by Mun Il-hyon from Beijing]

[FBIS Translated Text] It has been learned that the Polish Government is sticking to its policy that it will continue its role as a member of the Neutral National Supervisory Commission [NNSC] of the Military Armistice Commission at Panmunjom and has already expressed to the ROK and the United States its hope to dispatch the Polish NNSC delegation to the ROK.

A member of the Polish Embassy in China said on 9 March: "The Polish Government is seeking a way for its delegation to conduct its duties at Panmunjom while being stationed in the ROK."

#### **Papers Comment on Official Launch of KEDO**

*SK1003064995*

[FBIS Editorial Report] The following is a compilation of articles and editorials from ROK vernacular newspapers published on 10 March regarding the official inauguration of the Korean Peninsula Energy Development Organization [KEDO] for the supply of light-water reactors to North Korea pursuant to the North Korea-U.S. agreed framework.

The moderate TONG-A ILBO carries on page 3 an 800-word editorial noting the distinctive positions between the supplying and receiving parties. By concluding the agreement on the establishment of KEDO, which designates the reactor model as ROK-style light-water reactors based on the Ulchin No. 3 and No. 4 design, the supplying party—KEDO, which is centered

around the ROK, the United States, and Japan—is fully ready, while the receiving party—North Korea—rejects the style of reactors and engages in a risky gamble by threatening to break the Geneva agreement. The editorial explains the clarification of the ROK model is significant because it "entitles the ROK to exercise its rights at its own initiative as regards the design, production, and installation of the light-water reactors." On the other hand, North Korea is demanding KEDO should only hold a fund raising role. The editorial stresses that no more concessions can be made as the agreement establishing KEDO finalized the model.

TONG-A ILBO carries on page 6 a 1,100-word article by reporter Kim Cha-su on the prospects of the North Korean nuclear issue following the inauguration of KEDO. The article interprets the agreement to establish KEDO as a determination by the ROK, the United States, and Japan to give the ROK the leading role in KEDO. The article also points out that "the stipulation requiring all decisions be made by a consensus of the member states of the KEDO Executive Board—the ROK, the United States, and Japan—is significant because it halts North Korea's intention to exclude the ROK in its direct negotiation with the United States." The article presents two tasks for KEDO: persuading North Korea and coordinating with other countries participating in KEDO. The article writes that the three leading countries should be prepared for North Korea's deliberate heightening of tensions around 21 April, the deadline for the agreement on supplying light-water reactors. The article reports ROK Government officials expect North Korea will eventually accept the ROK model if the three countries adhere to a resolute position. The article also notes the appropriate sharing of costs and the roles among other KEDO member states is a key to the success of KEDO.

The moderate HANGUK ILBO publishes on page 5 a 1,500-word article by reporter Ko Tae-song on the significance and prospects of KEDO's inauguration. The article explains that before the establishment of KEDO, the United States was the dialogue partner in expert-level talks with North Korea on light-water reactors; however, now that KEDO is the main body for the agreement on supplying the reactors, "the ROK should be able to participate in the negotiations with North Korea as a key member of KEDO." The article reports the ROK Government will examine North Korea's attitude during the next expert-level meeting scheduled for late March, and will decide how to pursue the ROK's participation in future negotiations on light-water reactors. The article further stresses the ROK Government should prepare measures in case North Korea's rejection means not only of the name ROK-style but also of the actual reactors.

The pro-government SEOUL SINMUN publishes on page 3 a 700-word editorial entitled "North Korea Should Not Be Obstinate." The editorial begins with a pessimistic view about the signing of an agreement on



the supply of light-water reactors by 21 April, citing the time required for an international organization to function, the decision on the sharing of costs and roles between some 20 KEDO members, and the question of participation by Russia and the PRC. The editorial states it is only natural for the agreement on establishing KEDO to specify ROK-style reactors because "the ROK will share 70 percent of the cost; this is the only way for the ROK to minimize the cost." The editorial warns that no more concessions can be made, and that if North Korea remains obstinate, the ROK will tolerate it no longer. The editorial also asks the United States not to give North Korea any excuse to insist on its unreasonable objection.

SEOUL SINMUN carries on page 5 a 1,200-word article by New York-based correspondent Na Yun-to. The article reports on the preparatory meeting held at the U.S. Mission to the United Nations on 8 March and provides the details of the remarks made by the representatives of each country. The article points out that "the failure to persuade the PRC, the only country that can exercise a direct influence over North Korea, to participate in KEDO has weakened KEDO's role. The article also expresses disappointment over the fact that the ROK representative to KEDO has been downgraded from executive director to one of the two deputy executive directors, saying it is a relatively low position compared to the ROK's share of the costs.

The left-leaning HANGYORE SINMUN publishes on page 5 a 1,000-word article by Washington-based correspondent Chong Yon-chu. The article views the inauguration of KEDO merely as a "superficial development" and points out that the North Korea-U.S. agreed framework has turned into a situation of serious conflict. The article assesses the conflict as revolving around the two major factors of the "ROK model" and the 21 April "deadline." The article suggests the modification of the name as a possible solution, but doubts the ROK Government will consider such a compromise in the midst of the whirl in the local political situation over the local election issue. As for the deadline, the article says the United States views 21 April as a "target date" while North Korea defines it as an absolute deadline. The article comes to the conclusion that another phase of tension in which the North and the South dash toward a head-on collision will be inevitable.

The moderate CHUNGANG ILBO publishes, on page 3, an 800-word editorial entitled, "Stick to the ROK Model." Analyzing North Korea's threat to scrap the agreed framework as typical brinkmanship, the editorial notes the possibility that North Korea might press for greater demands in exchange of its acceptance of the ROK-model light-water reactors, for instance, "signing of a peace agreement directly with the United States or immediate ambassadorial-level diplomatic relations." The editorial stresses that a resolute attitude of the ROK and the United States is the only way to prevent such unreasonable demands.

CHUNGANG ILBO publishes on page 4 a 1,000-word article by New York-based correspondent Yi Chang-kyu. The article expresses disappointment over the hesitation of the other 14 countries to sign the agreement to establish KEDO, and over the small amount of \$7 million that Australia, New Zealand, and Canada were able to raise during the 8 Mar meeting. Noting that 21 April is not an "ultimate deadline" but a "target date," the article believes that as long as North Korea does not break its promise to freeze nuclear activities, there is still room for negotiations.

**DPRK 'Offensive' Against ROK Reactors Viewed**  
*SK1003062595 Seoul YONHAP in English 0609 GMT*  
10 Mar 95

[Article by Hwang Tu-hyong: "N.K. Intensifies Offensives Against South Korean Reactor Models"]

[FBIS Transcribed Text] Seoul, March 10 (YONHAP)—Timed with the launch in New York Thursday of the Korean peninsula Energy Development Organization (KEDO), an international consortium tasked with providing two light-water nuclear reactors to North Korea, Pyongyang has stepped up a diplomatic offensive against the consortium's move to press South Korean standard nuclear reactors on it.

North Korea's negotiator Kang Sok-chu, who represented the North in signing the landmark nuclear deal with the United States in Geneva last October on freezing Pyongyang's suspected nuclear weapons program in exchange for two light-water nuclear reactors and improved relations with the United States, recently warned that the Geneva accord would be in danger if Washington tried to force Pyongyang to accept the South Korean standard reactor models.

Kang reportedly told in a letter to his counterpart Robert Gallucci that the North would resume operations of its two graphite-moderated nuclear reactors unless the contract for the provision of the light-water reactors is signed by April 21 as scheduled in the Geneva accord in an apparent violation of the accord with the United States.

Officials of the United States, however, have repeatedly said that the only viable, for financial, political and technological reasons, version is South Korean standard reactors, although the North vehemently opposed the idea citing reasons of security and stability.

The U.S. officials, having in mind the strong opposition from North Koreans, also say that the April 21 is not a fixed deadline for the conclusion of the contract for the provision of the reactors to the North but a target date, hinting that the contract could be signed even after April 21.

Their position is that there would be no problem in delaying the contract date as long as the North observes the accord on the freezing of its nuclear program because



their ultimate aim is not to provide nuclear reactors to the North but to suspend the North's suspected nuclear weapons program.

The case, however, seemed to have entered into a new phase as the North threatened to break the nuclear deal by reopening its frozen nuclear reactors unless Washington withdrew its bid to impose South Korean standard reactors on the North and signs a contract for the provision of light-water reactors to the North by April 21.

Officials of the Ministry of Foreign Affairs dismiss the threat as nothing more than a "cliff-hanging strategy" of the North to strengthen its negotiating hand, adding North Korea is not in a position to walk away from the nuclear deal in despite of its repeated threats to do so because North Korea has boasted that it had won the most in the nuclear accord with almost nothing to lose.

Pyongyang has also praised Kim Chong-il for the successful conclusion of the nuclear deal with the United States and improvement in relations with Washington has been pursued by the late North Korean leader Kim Il-sung who is also said to have called on the North Korean Government to continue to make efforts for improved ties with Washington at the time of his death, according to the officials.

"North Koreans may want to get additional funds from Washington or its allies for the replacement of its power transmission lines and other facilities related to the light-water nuclear reactors," said the officials.

Pressured by the agreement between Seoul, Washington and Tokyo on clearly specifying the South Korean standard nuclear plant reactor models as the one to be provided to the North by the KEDO, North Korea may have chosen to stick further to its traditional cliff-hanging strategy to force Washington to do something to get some concessions from Seoul in the selection of the type of reactors, said the officials.

North Koreans know that the United States cannot tolerate the North breaking the Geneva deal by resuming operations of part of its frozen nuclear reactors, they said.

North Korea has issued several warnings on scrapping the nuclear deal since it was revealed that the KEDO contract will clearly specify the type of nuclear reactor models to be provided to the North as South Korean standard reactor models.

The three main players, or the "original members," of the KEDO—South Korea, Japan and the United States—have previously agreed that they write down the type of the reactors on the agreement on KEDO's establishment so adequately as one can know that they will be South Korean standard models.

They, however, ended up specifying in a straightforward manner the South Korean model as the one to be supplied to North Korea, which obviously shocked the North, said the officials.

They noted that such specification represents a diplomatic gain on the part of South Korea over the United States which had wanted to leave the clause obscure so the KEDO could have freer hands in talks with North Korea over the type of the reactors.

"On the other hand, the United States obviously has come to shoulder the burden of persuading the North to accept the fact that there are no alternatives to the South Korean model," said an official.

"At the initial stage of negotiations between the KEDO and North Korea, the United States will have to play a greater role because of lack of preparations and experience in the negotiations on the part of South Korea and North Korea wants to use the United States as a leverage to make concessions from South Korea," he said.

North Korean officials are fully aware of the position of the Clinton administration which will not allow the nuclear accord to break down for a variety of reasons including its relations with the Republican-dominated Congress which has complained that the Geneva deal is too lenient to North Korea by suspending for about five years special inspections of the North's undeclared nuclear facilities and imposing financial burden on the United States for the implementation of the accord.

The ball in the three-way diplomatic game between Seoul, Pyongyang and Washington surrounding the provision of nuclear plants to North Korea, thus, seems to be in the South Korean court which will have to decide on whether to push ahead with its plan, as it did in the KEDO contract, to directly impose the South Korean reactor models on the North in negotiations with the North to sign a contract for the provision of reactors to North Korea or give some concessions.

Despite strong denials from South Korean officials that the Seoul government would allow the United States to become the principal contractor with the North while the South working as a subcontractor in the nuclear reactor project, the U.S. media have released reports about the possibility of the United States serving as the main contractor.

#### **U.S., Seoul Discuss Response to DPRK Letter**

*SK1003005195 Seoul YONHAP in English 0033 GMT  
10 Mar 95*

[FBIS Transcribed Text] Seoul, March 10 (YONHAP)—In reaction to North Korea's latest threat to resume operation of its nuclear facilities at Yongbyon, the United States will send a reply to the North urging it again to implement its nuclear framework agreement a South Korean Government official said Friday.

North Korean Vice Foreign Minister Kang Sok-chu recently sent a letter to U.S. nuclear Ambassador Robert Gallucci in protest against the specification of South Korean model light-water nuclear reactors in the agreement on establishing the Korean peninsula Energy



Development Organization (KEDO). KEDO is a consortium tasked with supplying light-water nuclear reactors worth 4.5 billion U.S. dollars to North Korea in return for the North's freezing its nuclear development program.

A government official said, "Kang Sok-chu and Robert Gallucci have clarified their stands on issues through correspondence whenever problems came up since the Geneva nuclear agreement was concluded. On this occasion, too, I understand that the United States will send a reply to Kang's letter."

The South Korean Government has been discussing with its U.S. counterpart how to respond to Kang's letter, the official disclosed.

Regarding the contents of the reply, the official said, "It is expected to again urge North Korea to implement the Geneva nuclear agreement, and remind in particular that April 21 set for concluding an agreement on the supply of light-water reactors is not a deadline that must be abided by under any circumstances, but a target date."

"North Korea is expected to announce its objection to South Korean model reactors a few more times in the future," the official speculated. "The government will react in close consultation with Washington while refraining from formally expressing its position as much as possible."

#### **Obstacles to U.S.-DPRK Relations Viewed**

*SK1003143095 Seoul SISA JOURNAL in Korean 9 Mar 95 p 62*

[Article by Pyon Chang-sop: "Obstacles To Normalizing U.S.- North Korean Relations"]

[FBIS Translated Text] Many believe that if the United States obtains something from North Korea, then the ROK will lose as much as the United States gains. Even they seem to regard U.S.-North Korean relations as a kind of zero-sum game. However, the reality is more complicated than this.

We can say that it takes much time for the United States to completely normalize diplomatic relations with another country, judging from the way it has normalized diplomatic relations with China and Vietnam over the past years. Therefore, it is needless to say that it would take time for the United States and North Korea to normalize their diplomatic relations. Also, even legal obstacles lie ahead of their normalization.

Even though the U.S. Republican Party has occupied a majority seat in Congress, the administration has the right to implement the U.S.-North Korean Geneva agreement. However, the Congress has the right to restrict the speed and scale of the normalization of diplomatic relations between the United States and

North Korea. For example, it cannot rule out the possibility that the Congress would link the normalization of diplomatic relations with the issues of North Korea's human rights, the missing U.S. soldiers, and the reduction of conventional weapons. Congress is not docile [kobun kobun hajiannun] to the administration which is allocating the necessary expenses for the operation of the Korea Energy Development Organization, as well as for the supply of heavy oil to North Korea. Therefore, the administration has to persuade Congress to understand its position. In short, the normalization of relations between the United States and North Korea cannot be made without Congressional support.

The U.S. Government is aware that the ROK Government has the veto power as regards the issue of the light-water reactors that should be provided to North Korea. Because the executives of the Korea Energy Development Organization operate under the system of unanimous approval, one side cannot ignore the decision made by the other party. Of course, the U.S. Government—which has historically maintained the relations of friendship with the conservatives in the ROK and U.S. Congress—would take measures, within its limits, for the implementation of the Geneva agreement or for the normalization of relations between the United States and North Korea as intended.

#### **The Reduction of Conventional Weapons Is a Matter That Should Be Settled**

If there is something that would reduce the speed of the normalization of relations between the United States and North Korea in the future, it is the issue of signing a peace agreement demanded by North Korea. The U.S. Government believes that the North and South Korean Governments have the right to solve the issue. The United States will not comply with the North Korean demands unless North Korea recognizes the legitimacy and entity of the ROK Government.

Also, another obstacle is the issue of reducing conventional weapons. It is possible for the United States and North Korea to set up an aviation control system in Panmunjom as a result of the U.S. Forces' helicopter incident that took place at the end of last year. Therefore, it is possible for North Korea to attempt to hold military meetings with the United States in order to discuss this issue.

The issue of signing a peace agreement put forward by North Korea since 1974 is very unrealistic, because it demands the withdrawal of the U.S. troops from the ROK. The withdrawal of the U.S. troops from the ROK cannot be resolved, even if U.S.-North Korean relations are normalized.

The commander of the U.S. troops in the ROK, who is also the commander of the United Nations Command, has been granted the complete rights to replace the existing Armistice Agreement with the peace agreement. If the United States can achieve the expected results by



directly participating in negotiations on signing the peace agreement, it is highly possible that either the UN Security Council or the UN General Assembly would support the United States.

The maximum issue as regards the negotiations on signing the peace agreement is the role the ROK would play. If the Armistice Agreement is replaced with the peace agreement, the United States should establish new relations with the ROK. Furthermore, the ROK- U.S. Combined Forces commander has the rights to execute the detailed articles of the peace agreement, including violations of the agreement and the disarmament issue. If the peace agreement is signed, all agreements that regulate the position of the U.S. troops stationed in the ROK, as well as the operational commanding system of the ROK Army should be revised.

The United States has to persuade North Korea so that the ROK can participate in the course of negotiations to sign the peace agreement, but it may go contrary to the U.S. expectations. Because the issue will affect the very existence of North Korea, North Korea will resolutely oppose the ROK participation in the negotiations. However, if North Korea really wants to sign the peace agreement, it cannot stubbornly demand the withdrawal of the U.S. troops from the ROK. Moreover, we do not believe that the U.S. Administration will withdraw the U.S. troops from the ROK, being aware that the withdrawal of the U.S. troops from the ROK would harm the ROK-U.S. security relations.

Under the existing Armistice Agreement system, the United States can provide the nuclear umbrella to the ROK. Also, it can discuss the normalization of relations with North Korea. In other words, the United States can make remarks indicating that it will not be the first to use nuclear weapons against North Korea, while pledging that it will continue to provide the nuclear umbrella to the ROK. It does not matter if the United States makes remarks favorable to both North and South Korea. This is the current Armistice Agreement system.

If the peace agreement is signed, the situation will change completely. The United States cannot make political and rhetorical remarks as regards the nuclear issue as it did in the past. Also, the United States can no longer provide the nuclear umbrella to the ROK if North Korea takes concrete measures [kuchejok chochi], such as reducing its conventional troops. If the United States take this road, the ROK will face the situation in which it has no alternative but to confront the North Korean troops with its own defensive system. In order for the peace agreement to be raised in earnest as an issue, first of all, North and South Korea should resume their dialogue and, furthermore, completely put into practice the denuclearization declaration on the Korean peninsula signed in 1991.

### **DPRK Plans Joint Venture With U.S. Business**

*SK1003021995 Seoul HANGUK ILBO in Korean 10 Mar 95 p 3*

[Correspondent Yi Sang-u from Washington]

[FBIS Translated Text] The Los Angeles International Management Institute, which oversees consultation on investment in North Korea by Korean businessmen in America, stated on 8 March: North Korea has decided to promote a large-scale joint venture with Korean garments businessmen in America, and will sign the first contract worth thousands of dollars in Shenzhen, China, in May.

According to the International Management Institute, North Korea recently sent a message to Chairman James Yu, in the name of Ko Tae-sun, president of the Korea Unha General Trade Company, suggesting that they hold consultations to conclude a contract on processing garments on commission in Shenzhen, around May.

Thus, the institute plans on organizing consulting teams comprised of garments manufacturers, importers, and wholesale dealers to actively mediate for the conclusion of contracts. Chairman Yu led a delegation of Korean businessmen in America to North Korea in early February to discuss joint ventures.

### **North Plans To Invite U.S. Performer To Visit**

*SK1003045895 Seoul CHOSON ILBO in Korean 10 Mar 95 p 3*

[By reporter Kim Hyon-ho]

[FBIS Translated Text] It was learned on 9 March that North Korea plans to invite David Copperfield, the famous American magician, to Pyongyang to perform a magic show. The show will be held for only one day on either 8 or 9 July. However, 8 July is the first anniversary of the death of Kim Il-song. What draws our attention is why North Korea plans to hold such a show on that day.

It has also been learned that North Korea has already promised the U.S. company managing the show to give its utmost cooperation in moving approximately 60 tonnes of various kinds of equipment needed in the show from Seoul to Pyongyang via Panmunjom. Accordingly, the U.S. company managing the show is soon expected to submit to our government a request for approval to transport its equipment to Pyongyang via Panmunjom.

A person in Seoul who is reportedly involved in this function, and who noted that "a contract on holding the magic show in Pyongyang has already been signed between the U.S. company managing the show and the North Korean authorities," revealed that "whether the ROK Government will approve the transportation of the equipment to Pyongyang via Panmunjom is of great concern."



The official concerned stated that "in reality, there is no other way to transport the magic show equipment from Pyongyang via Seoul, which will occupy as many as 10 11-ton trucks, without going through Panmunjom." He added: "No chartered cargo aircraft capable of loading such quantities of equipment is available between Beijing and Pyongyang. It will be impossible to use a chartered aircraft because too much expense is involved. It will be practically impossible to transport the equipment by land from Hong Kong to Pyongyang."

A concerned government official said that for the cargo of a third country to be transported between North and South Korea via Panmunjom is unprecedented, and may raise various legal problems. However, it has been learned that if the U.S. company managing the magic show submits an official request, our government will review it positively.

**Position on North-Japan Normalization Detailed**  
*SK1003070395 Seoul CHUNGANG ILBO in Korean 10 Mar 95 p 4*

[Article by reporter Kim Song-chin]

[FBIS Translated Text] The ROK Government has begun to map out countermeasures against the secret negotiations between North Korea and Japan for establishing diplomatic relations.

The government position is not to raise the issue as long as Japan does not officially inform the ROK of the negotiations.

An ROK Government official said: "The Japanese Government has stated it 'does not like to comment' on rumors about the secret contact between Japan and North Korea."

This official stressed that the ROK Government reacted to the issue of the Japanese Government refusing to comment.

This indicates that Japan did not notify the ROK Government of its position on this matter.

During President No Tae-u's visit to Japan in 1991, the ROK and Japan agreed on the "five principles for establishing diplomatic relations between Japan and North Korea" which states the "ROK and Japan will have sufficient prior consultations on North Korea-Japan negotiations on establishing diplomatic relations." The two countries again confirmed these principles at last month's foreign minister talks.

Even though Japan and North Korea have continued telephone contacts since November 1992, however, when the two countries officially stopped holding talks for normalizing relations, Japan has not informed our government of those contacts in advance.

In connection with this, ROK Government officials said: "We do not expect the Japanese Government will explain to us the telephone contacts between Japan and North Korea."

Nevertheless, this time the ROK Government is jittery about the contacts because their timing and content are very different from those of previous talks.

First, the contact was made at a delicate time, with the establishment of the Korean Peninsula Energy Development Organization [KEDO] and the deadline (21 April) for the conclusion of a treaty for supplying light-water reactors approaching. Moreover, North Korea has made it all the more clear that it will continuously reject ROK-style light-water reactors.

In particular, the government is paying attention to the possibility that the recent secret contacts between North Korea and Japan will remove the main obstacles to their talks on establishing diplomatic relations.

Japan's compensation for World War II was the point at issue in the North Korean-Japanese talks on establishing diplomatic relations that ruptured in 1992. North Korea has constantly demanded Japan pay compensation for damages caused by the war and for the loss of life during the Japanese colonial era, and even for Japan's hostility toward North Korea for 45 years since the end of the war.

Falling into an economic crisis, North Korea speculates that even if it fails to receive Japanese compensation, it can use at least 10 trillion yen out of the total public assets possessed by the General Association of Koreans Residing in Japan, which the Korea Development Institute estimates to be 20 trillion, 27 million yen.

Accordingly, North Korea showed an unprecedentedly moderate position on the post-war compensation issue during its recent contact with Japan.

The government is closely watching whether North Korean-Japanese negotiations on establishing diplomatic relations will exert a negative influence upon the implementation of the Geneva agreement between North Korea and the United States.

Accordingly, the government will awaken Japan through diplomatic channels to the possibility that its negotiations with North Korea for establishing diplomatic relations will have an adverse effect on bringing durable peace onto the Korean peninsula, and will further strengthen the "prior agreement" between the ROK and Japan.

**Weekly Reviews DPRK's Next Military Leaders**  
*SK1003132695 Seoul CHUGAN CHOSON in Korean 9 Mar 95 pp 34, 35*

[Article by political reporter Ku Song-chae: "Rising Real Power Holders of the 'Revolution's Second Generation"—"O Kuk-yol, Yi Pong-won, Kim Tu-nam Are Forming 'a Kim Chong-il Corps'"]



[FBIS Translated Text] It is believed that O Chin-u's death will give the opportunity to the revolution's second generation, who has substantially controlled the military circles, to move to the forefront.

O Chin-u held six titles. He was member of the party Central Committee, member of the Presidium of the party Political Bureau, first vice chairman of the National Defense Committee, member of the party Central Military Commission, minister of the People's Armed Forces, director of the General Political Bureau, and deputy to the Ninth Supreme People's Assembly. His rank was marshal. It has become necessary to fill the posts vacated by O's death.

It seems that not all of those in the revolution's second generation will fill them. But, it seems that Kim Chong-il will pay special attention to those in the revolution's second generation with a view to realizing harmony between generations and achieving stability in the Kim Chong-il system.

Out of the real power holders in the second generation of the revolution, those who hold real military power are O Kuk-yol, Yi Pong-won, Kim Tu-nam, Kim Il-chol, and Cho Myong-nok, members of the party Central Military Commission; and Kim Kwang-chin, Chon Pyong-ho, and Yi Ha-il, members of the National Defense Committee.

O Kuk-yol, 66, director of the party's Operations Department, is regarded as a real power holder of the next generation military circles. In the military circles, he is called "a left arm of Kim Chong-il." In September 1979, when he was appointed chief of the General Staff, O Kuk-yol emerged as ranking top on the list of real power holders in the North Korean military circles. But, as a result of friction with O Chin-u, in February 1988, he was ousted from his post after 10 years in office.

Born in North Jiandao in 1929, he graduated from the first class of the Mangyongdae Revolutionary School; and studied at Kim Il-song University and the Air Force College of the Soviet Union where he learned modern military science and technology.

#### **O Kuk-yol, Called "Kim Chong-il's Left Arm"**

It has been learned that O Kuk-yol emerged as a man close to Kim Chong-il largely due to the fact that in the mid-seventies, along with O Chin-u, minister of the People's Armed Forces, he stood at the head of getting rid of Yi Yong-mu, director of the General Political Bureau of the Armed Forces; Chang Chong-hwan, vice minister of the People's Armed Forces; and Yim Chol, director of the Operations Department, who at that time offered resistance to the Kim Chong-il leadership system, while terming them anti-party, anti-revolutionary elements.

As an exception in North Korea, O Kuk-yol's family is a war-lord-like corps of people in the family. Besides Kim Il-song and his son, O Kuk-yol's family, which is famous

for "five brothers O of the guerrilla unit," is the only family that is being idolized in North Korea. O Chung-hup, O Kuk-yol's father, was one of the five brothers O who died as a partisan in defense of Kim Il-song as Kim's body guard during the thirties when Kim Il-song was engaged in the anti-Japanese struggle in Manchuria. Since the early seventies when North Korea decided to adopt the Kim Chong-il succession system, North Korea has conducted the "movement to emulate O Chung-hup" on a large scale, thereby taking advantage to the maximum extent of the O family's loyalty in establishing the Kim Chong-il system. With the backing of the O brothers, O Chin-u, their cousin, enjoyed an exceptional treatment in promotion, and came to become a core power holder in the North Korean regime, and O Kuk-yol became a favorite of Kim Il-song and his son. This is a well-known fact.

Remaining in the post of chief of the General Staff until early 1988, O Kuk-yol was regarded as the next minister of People's Armed Forces. In February 1988, as a result of a conflict with O Chin-u, O Kuk-yol handed over the post of the chief of the General Staff to Choe Kwang, member of the first generation of the revolution, and was pushed from the list of top 30 leaders in North Korea's power hierarchy. Accordingly, the prevailing view is that as a result of the death of O Chin-u, with whom O Kuk-yol once was in rivalry, Kim Chong-il will appoint O Kuk-yol to a very high-ranking post. A man of medium height and strong built, O Kuk-yol is regarded as an excellent commanding officer, a man of a sharp temper, upright manners, a strong driving force, and a meticulous planner.

But, some analyze that because he has remained out of a military uniform as a result of a conflict with O Chin-u, it would be difficult for O Kuk-yol to emerge in the forefront in the military circles.

General Yi Pong-won, 67, from South Hamgyong Province, is known to be a military expert in the party's Organization and Guidance Department. Along with O Kuk-yol, director of the party Operations Department, he is known in the military circles as the closest to, and a right-hand man of Kim Chong-il. It has been learned that Yi and O are rivals. Yi Pong-won is part of a military elite with a good personal backing because he is a relative of Yi Po-hyon, Kim Chong-il's grandmother.

#### **Kim Tu-nam, Kim Chong-il's "Military Professor"**

Yi Pong-won studied at the Mangyongdae Revolutionary School and the Kim Il-song University. He was even promoted to vice minister in 1967 as an expert of surveillance and guidance over the military organization and personnel affairs. It has been learned that at that time Yi Pong-won established a friendly relationship with Kim Chong-il. Working as vice director of the General Political Bureau of the People's Army since 1986, he had reportedly maintained "a parallel relationship" with O Chin-u, director of the General Political Bureau. If different persons are appointed separately to



the posts of minister of the People's Armed Forces and director of the General Political Bureau, both posts held by O Chi-u, it is expected that Yi Pong-won will be appointed director of the General Political Bureau.

The General Political Bureau of the People's Army is a core, important organization which politically controls the military circles and performs the duties of the party's political control over the military. The General Political Bureau is composed of the Organization Department and the Propaganda and Agitation Department. It has chapters at political departments at the Army General Headquarters, combined Army corps, corps, divisions, regiments, and battalions.

From North Pyongan Province, General Kim Tu-nam, 66, is known to have been "a military professor" of Kim Chong-il. He studied at the Mangyongdae Revolutionary School and received military education at the Soviet Military Academy.

With the experience of having taught military science privately to Kim Chong-il, Kim Tu-nam has maintained a special relationship with Kim Chong-il. Besides serving as a military professor, he is also reportedly working as a military assistant to Kim Chong-il. He is said to have played a great role also in establishing the unitary leadership system in the military. In particular, it is learned that he has actively implemented Kim Chong-il's orders regarding the modernization of irregular Armed Forces and light-infantry servicemen.

General Kim Il-chol, commander of the Navy, is also reportedly a faithful servant of Kim Chong-il. For the first time following Kim Il-song's death, he publicly pledged as a soldier loyalty to Kim Chong-il.

Kim Il-chol studied at the Mangyongdae Revolutionary School and even studied at the Soviet Naval College. He is regarded as the leader of the modernization of North Korea's Navy. As a staff officer of the Navy Headquarters in 1965, he participated in building Naval vessels and constructing an underwater Naval base. In 1968, he was promoted to the deputy chief of the Staff at the Navy Headquarters. At that time, it has been learned that he stood at the head in taking the command of the operation of hijacking the USS Pueblo on the East Sea [Sea of Japan].

General Cho Myong-nok is member of the first generation of the North Korean Air Force. He graduated from the Manchuria Aviation School before national liberation. He has remained in the same post for almost 20 years since November 1977, when he became commander of the Air Force. He was promoted to a full general in 1992. He is regarded as a man of few words and of sharp judgment.

Many of those from the revolution's second generation are working at important posts of the National Defense Committee, the supreme military organization in the North Korean regime. Vice Marshal Kim Kwang-chin,

vice minister of the People's Armed Forces, enjoys the highest confidence of Kim Chong-il out of all the vice ministers in the People's Armed Forces. As the youngest of the first generation of the revolution and as the eldest of the second generation of the revolution, Kim Kwang-chin is regarded as a link between these two generations. He caught the eye of Kim Il-song and was promoted to full general because of his contributions to increasing North Korean Army's artillery combat capabilities.

Born in Pyongyang in 1918, Kim Kwang-chin graduated from the Soviet Artillery Technology School. It is learned that he even infiltrated the area near Taegu during the Korean war. In September 1990, he came to Seoul as a North side's delegate to the first South-North high-level talks. Since he was promoted to chief of Staff at the Artillery Command in 1958, he has climbed the ladder of success. In the seventies and eighties, he led military delegations to the PRC and the Soviet Union, cultivating his own unique military diplomatic skills.

Though he is not a military, Chon Pyong-ho is a member of the National Defense Committee. He is also secretary for economic affairs at the party Secretariat and a full member of the Political Bureau. He was born to a poor peasant in Musan, North Hamgyong Province, in 1926. He studied at the Mangyongdae Revolutionary School; graduated from the Kim Il-song University; and also studied at Moscow University. He is regarded in North Korea as the outstanding authority in the munitions industry.

In September 1973, Kim Chong-il, then secretary for party organization, called upon Chon Pyong-ho, then president of the Kim Il-song Higher Party School, to work as vice director of the party Organization and Guidance Department at which post he began working in 1974. In 1976, as the first vice director of the party Organization and Guidance Department, Chon served as a de facto proxy for Kim Chong-il, then director of the Organization and Guidance Department and party secretary.

Yi Ha-il, director of the party Military Department, is one of those who are enjoying Kim Chong-il's confidence out of the younger group of military leaders. He has made contributions to the establishment of Kim Chong-il's unitary ideological system in the military. And, while once serving as a member of the party Central Military Commission, he took charge of the internal organization of the Ministry of People's Armed Forces at the order of Kim Chong-il. On 25 April 1985, on the anniversary of the founding of the People's Army, thanks to Kim Chong-il's scrupulous care, he was specially promoted to a major general from a senior colonel-level commander of a special brigade.

Colonel General Kim Kang-hwan, 64, is also one of the real power holders in the military circles. Following Kim Tu-nam, he assumed the post of director of the party Military Department (1980-1984). O Kuk-yol, Kim Tun-nam, and Kim Kang-hwan constitute "a troika" in the



establishment of the unitary leadership system in the military. He was born in Pyongyang and participated in the Korean war while studying at the Mangyongdae Revolutionary School. He began his military career as an instructor of the party Military Department in 1962. He worked as vice director of a department of the Operations Bureau of the Ministry of People's Armed Forces in 1965; as vice director of the Operations Bureau in 1972; as director of the Operations Bureau in 1977; and as deputy chief of the General Staff of the People's Army in 1980.

#### **N-S Trade Sees 'Steady Increase Since 1988'**

*SK0903015895 Seoul YONHAP in English 0140 GMT 9 Mar 95*

[FBIS Transcribed Text] Seoul, March 9 (YONHAP)—The inter-Korean trade has been on the steady increase since 1988 despite the rigid political relations between South and North Korea, according to statistics compiled by the National Unification Board (NUB) Thursday.

Since the government took steps for economic opening towards North Korea in 1988, the NUB has approved a total of 880 million dollars worth of inter-Korean trade deals by the end of 1994.

The volume of trade which went through customs during the cited period reached 698 million dollars, an amount that made South Korea emerge as the fourth biggest trade partner of North Korea, following China, Japan and Russia.

Indirect trade through foreign intermediary agents accounted for 95.5 percent of the total volume.

In most cases of indirect trade, South Korean enterprises start negotiations with their North Korean business partners through their overseas subsidiaries but conclude contracts through intermediaries in third countries, an NUB official said.

In contrast, the direct trade between South and North Korea represented a meager 1.7 percent in 1993 with 3,450,000 dollars.

But it slightly increased to 4.5 percent or 10,370,000 dollars last year.

Meanwhile, the processing-on-commission trade, in which South Korean businesses sell raw materials to North Korea and then purchase processed goods from the North, claimed 28,560,000 dollars or 12.5 percent of last year's inter-Korean trade, compared to 7,990,000 dollars (4 percent) in the previous year.

The number of those businesses which participated in the trade with the North rose by 28 from 1993 to 160 in 1994. Hong Kong was the most frequent mediating place, followed by China, Japan and Singapore.

#### **Impact of High Yen on National Economy Examined**

*SK1003003095 Seoul THE KOREA HERALD in English 10 Mar 95 p 8*

[FBIS Transcribed Text] The high yen is expected to come as a boon to Korea Inc.'s trade.

A 10 percent rise in the value of the yen against the dollar would result in improving Korea's trade balance by \$1.3 billion over the next two years, the Bank of Korea (BOK) estimated yesterday.

But Korea's trade deficit with Japan would rise by \$9 billion as Corporate Korea will have to pay more money for its imports from the neighboring country, the central bank said.

Last year alone, Korea posted a \$11.87 billion trade deficit with Japan, up from \$8.45 billion a year earlier.

The strong yen will contribute to boosting Korea's exports considerably because Korean products will become cheaper in international markets than Japanese goods, the central bank said.

If the yen strengthens 10 percent against the greenback, Korea's exports are estimated to grow an additional \$4.3 billion during the period. The country's overseas shipments will grow by \$2.2 billion in the first year and by \$2.1 billion in the second year.

Exports to Japan will increase an additional \$1.4 billion over the coming two years, while shipments to other parts of the world will surge by \$2.9 billion.

Such products as electronics and machinery will especially bask in the high yen as they take up the bulk of Korean exports to Japan.

As for other countries, Korea's exports to Southeast Asian countries will grow more than to the United States and Europe. The high yen will create a "substitute" demand for Korean goods by forcing Southeast Asian countries to switch to Korea from Japan for their imports, the BOK said.

Korea's imports are predicted to grow at a slower pace than exports. Over the next two years, the strong yen will add \$3 billion to Korea's imports.

Imports from Japan will surge an additional \$2.3 billion during the period since Korea relies heavily on Japan for its imports of capital goods and components.

Korea's imports from the rest of the world will rise by an additional \$700 million over the next two years, the central bank estimated.

It is an ill wind that blows nobody good, however. The strong yen is expected to build up inflationary pressures by driving up prices of imported goods and inflicting huge losses on domestic corporate borrowers of yen-denominated loans.



According to a report released by the Korea Development Institute yesterday, a 10 percent appreciation of the yen against the dollar will push up domestic consumer prices by 0.5 percent this year and 0.6 percent, next year.

Domestic businesses with yen-denominated debt are losing money because of the high yen. During only six days between last Friday and Wednesday, 455 large companies with a combined yen-denominated debt of over 2 trillion won suffered losses to the tune of 130 billion won (about \$166 million) stemming from the change in the won-yen rate, according to the Daewoo Economic Research Institute yesterday. The Korean currency plunged 6.4 percent against the yen during the six days.

The won's free fall against the Japanese currency, meanwhile, came to a halt yesterday amid signs of the greenback rebounding in major international currency markets. The Bank of Korea posted the won-yen rate at 863.22 won to 100 yen yesterday morning, down 4 won from the previous day.

#### Depreciation 'Mixed Blessing'

SK0903010395 Seoul THE KOREA TIMES in English  
9 Mar 95 p 9

[FBIS Transcribed Text] With the yen renewing record lows year after year, the won's depreciation against the Japanese currency is accelerating, giving a mixed blessing to Korean banks and enterprises.

The Korea Financial Telecommunications & Clearings Institute yesterday posted the won at 867.22 won per 100 yen, reflecting the yen's unprecedented strength.

It was the fifth day in a row that the won plunged to record lows against the yen.

The won had hovered around 790 won per 100 yen until the end of last year but since then it has continued to fall against the Japanese currency. The won posted a fall of 8.8 percent this year.

The global fall of the U.S. dollar is also pushing up the won's value against the greenback, casting a dark cloud over Korean exports. But analysts said the dollar's fall will be more of a boon to Korean exports because the yen's depreciation is moving faster than the won's.

The dollar remained strong against the won last week, despite the dollar's global fall, as companies rushed to buy dollars to pay import bills.

But this firmness crumbled this week as dealers joined in a selling spree of dollars as a result of the dollar's plunge in overseas exchange markets.

The won opened at 784.40 won to the dollar in Seoul yesterday morning, the highest level since November 1992. A BOK [Bank of Korea] official, however, said a

strong won won't be kept up so long because the Korean market is not directly affected by fluctuations in overseas markets.

More immediately, financial analysts warned Korean banks and enterprises against suffering from huge foreign exchange losses in the wake of the yen's record highs.

This concern among Korean banks and enterprises sounds persuasive, given the fact that many of them haven't dealt in futures to hedge against foreign exchange risks in their belief that the yen will lose against the dollar.

It is learned that a large conglomerate sustained foreign exchange losses amounting to 10 billion won in the dollar's recent plunge.

#### BOK Estimates Results

SK1003003095 Seoul THE KOREA HERALD in  
English 10 Mar 95 p 8

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#### **More on Government's 'Overhaul' of Economic Plan**

*SK1003001395 Seoul THE KOREA TIMES in English  
10 Mar 95 p 1*

[Report by Chae Hui-muk]

[FBIS Transcribed Text] The government is likely to overhaul the economic management program to cope effectively with the sharp increase in the value of the Japanese yen against the U.S. dollar.

Vice Finance and Economy Minister Yi Sok-chae said yesterday that the economic management program for this year was drawn up based on the assumption that conversion rate would be 100 yen to the U.S. dollar on average, indicating that the government will have to review the management program.

For example, the projected figure for imports of \$115 billion was calculated based on a yearly average rate of 104 yen per the greenback.

Yi said that the government will put priority on stability of prices as inflationary pressure is expected to mount with the rising prices of capital goods imported from Japan.

In a report, the Finance and Economy Ministry said that a high 25 percent of Korea's total imports come from Japan and so inflationary pressure may be fanned.

The Korea Development Institute (KDI) had forecast that a 10 percent rise in the value of the Japanese yen against the greenback would result in a 0.5 percent gain in the consumer prices this year and a 0.6 percent one next year.

The government will make all-out efforts to diversify import sources away from Japan to prevent a stiff rise in the trade deficit with it, Yi said.

Domestic manufacturers will enjoy very brisk exports but will also face heavy financial burdens because of the stronger yen as it is not easy for them to switch their import sources from Japan to other nations as a result of structural problems, the report said.

On the positive said, Yi said the strong yen will further spur Japanese manufacturers to increase their investments in Southeast Asian nations. "The government will make further efforts to attract Japanese investment here with its accompanying high tech and capital."

He said that the government is forming an industrial complex for foreigners in Kwangju to provide cheap land from June.

The government is considering unifying the commodities and financial futures systems, which are expected to be put into operation in June next year, to help avoid risk in foreign exchange dealing, an official said.

Enterprises will also be encouraged to shift a little from the dollar to the Japanese yen and German mark in their settlement of international payments and to repay debts in such stronger foreign currencies as the yen and mark, the report said.

Domestic manufacturers will also be expected to speed up localization of machinery, parts and components, and new materials, the report said.

In particular, light industrial manufacturers will be helped to automate the production, to localize raw materials and to upgrade quality, it said.

#### **Seoul-U.S. Communications Talks in 'Stalemate'**

*SK1003081595 Seoul YONHAP in English 0708 GMT  
10 Mar 95*

[FBIS Transcribed Text] Seoul, March 10 (YONHAP)—The U.S. Government is contemplating not participating



in the communications ministers' meeting of Asia-Pacific nations to be hosted by South Korea in May in a bid to increase pressure for easier access to South Korea's communications market, as communications talks with Seoul are at a stalemate.

U.S. officials, judging that the South Korea-U.S. communications meeting slated for next week in Washington will not see any breakthrough to the stalemate, are also considering designating Korea as a country of unfair trade practices in the communications industry, according to the latest edition of the U.S. Trade Information Magazine, BNA.

Quoting the magazine, a government official said Friday the U.S. Government was contemplating not attending both the Asia-Pacific Economic Cooperation (APEC) communications ministers' meeting slated for May in Seoul and its preparatory working-level meeting slated for March 29-30 in an attempt to seek easier communications market access in South Korea.

There was no progress in the bilateral communications talks held in Seoul last week and this has made it difficult for the U.S. Government to participate in the Seoul APEC communications ministers' conference, the magazine reported, citing American Telephone and Telegraph (AT&T) officials.

The official said Washington has not yet given any official reply to Seoul's initiations to attend the two meetings.

In the communications meeting here last week, the U.S. delegation asked for reconsidering the lengthy inspection and type-approval periods for the new electronic switching system model AT&T offered to supply, but the South Korean delegation stuck to its position that the new AT&T model must be inspected by the relevant rules and procedures, denying it any exceptional treatment, he remarked.

The BNA magazine said U.S. officials, expecting no significant progress in the bilateral communications meeting slated for next week in Washington, would study a plan to name South Korea as a country practicing unfair trade in the communications sector as a means to press harder for a wider communications market opening in South Korea.

Under the 1988 trade act, the U.S. Government will name countries of unfair trade practices in the communications industry by the end of this month for intensive negotiations with these countries and will take retaliatory action against those countries which will fail to correct their unfair trade practices in the negotiations.

#### **KEPCO, U.S. Firm Agree on Nuclear Plant**

*SK0903040495 Seoul YONHAP in English 0301 GMT 9 Mar 95*

[FBIS Transcribed Text] Seoul, March 9 (YONHAP)—The Korea Electric Power Corp. (KEPCO) signed

Thursday a memorandum of understanding [MOU] with ABB-CE, a U.S. reactor maker, on joint participation in nuclear power plant construction programs of third countries.

Rich Chong-hun, president of the KEPCO, and Robert E. Newman, president of ABB-CE (Asea Brown Boveri-Combustion Engineering), signed the MOU at the KEPCO building at Samsung-tong, southern Seoul.

Under the MOU, the two companies are to seek joint advancement into nuclear power plant construction projects in third countries and mutually cooperate in information exchange, market development and preparation of proposal packages.

They also promised to jointly manage resident teams in third countries if necessary.

The MOU will be effective for 10 years but the two sides may extend the validity period on the basis of mutual agreement.

KEPCO officials expected that the MOU will help further cement the basis for the nation to export the South Korean standard nuclear reactor model and indirectly nudge North Korea into accepting the South Korean light-water reactor model.

In addition, the two reactor makers plan to advance into China, world's biggest nuclear power plant market, along with South Korean businesses which have participated in the construction of South Korean-style light-water reactors.

Meanwhile, ABB-CE, which provided its technology for South Korea's construction of Yongkwang Nos. 3 and 4 nuclear power plants in 1987, is participating in the construction of Uljin Nos. 3 and four plants as a subcontractor in the fields of design and equipment supply of the nuclear steam supply system.

#### **U.S. Continues Seeking More Auto Market Access**

*SK1003021895 Seoul YONHAP in English 0200 GMT 10 Mar 95*

[FBIS Transcribed Text] Washington, March 9 (YONHAP)—The U.S. Government will continue to seek improved access to South Korea's automobile market, according to the U.S. Trade Representative Office's 1994 annual report published Thursday [9 March].

The report noted that although South Korea became the fifth largest motor vehicle manufacturer in the world in 1994, it imported less than 1 percent of the cars sold in the country.

Welcoming the measures Seoul took in trade talks with Washington in the year, including a commitment to lower the car import duty to 8 percent, it said Washington had requested Seoul "to reverse the effects of a



campaign against imported cars initiated several years ago, as well as to reduce taxes based on engine size and value."

The report dealt with intellectual property rights and market access for automobiles and meat in its republic of Korea section.

Regarding South Korea's intellectual property rights protection regime, it said, "Remaining problems include software piracy, protection of textile designs, trade dress, trademarks and trade secrets."

The report urged South Korea, "as an advanced economy seeking organization for economic cooperation and development membership," to implement the World Trade Organization Intellectual Property Rights Agreement by the end of 1995.

As for South Korea's meat market, it noted U.S. meat producers are complaining that "a number of Korean practices—especially government-mandated shelf-life limits and long delays at port—effectively prohibit U.S. meat imports."

#### **Results of Fisheries Talks With PRC Reported**

*SK1003085695 Seoul YONHAP in English 0656 GMT  
10 Mar 95*

[FBIS Transcribed Text] Seoul, March 10 (YONHAP)—South Korea and China Friday failed to narrow differences over how to set the boundaries of fishing zones where fishing boats of each country could operate legally in the Yellow (West) Sea, a Foreign Ministry spokesman said.

Briefing reporters on the results of the three-day fisheries talks with Chinese officials, An Hyo-sung, deputy director general of the ministry's International Economic Affairs Bureau, said that the Chinese delegation kept insisting that the two countries should allow fishing boats of each country to operate freely in the entire zone off the 12-nautical-mile territorial waters of each country.

The Korean side, meanwhile, called for the Chinese to agree on setting zones beyond the territorial waters where each country can have the exclusive fishing rights, as stipulated in the United Nations convention on the law of the sea signed by 159 countries in November, 1994, according to An.

The two sides, however, reached an agreement on exchanging information and experts on fisheries resources and conducting a joint survey of fisheries resources in the Yellow Sea in an effort to protect fisheries resources in the region, An said.

They also agreed to hold talks on ways to handle maritime accidents by the end of this year.

On issues of taking emergency shelters and securing safe fishing in the Yellow Sea, they agreed to hold another

round of talks to solve differences as South Korea wanted to produce a comprehensive bilateral search and rescue agreement in maritime accidents which binds all the vessels passing through the Yellow Sea as well as fishing boats while the Chinese side insisted on coming up with an agreement binding fishing boats only, according to An.

During the three-day talks, the two sides reiterated their positions with China demanding that South Korea acknowledge the so-called Mao Zedong line ranging 40 to 50 nautical miles from the Chinese coasts as China's territorial waters until the two sides produce a fisheries agreement and Korea calling for China to honor the peaceline or Syngman Rhee line ranging 50 to 100 nautical miles declared unilaterally in 1952 as South Korea's exclusive fishing zone.

Neither side, however, agreed to honor the Mao Zedong or Syngman Rhee lines, according to officials of the Ministry of Foreign Affairs who attended the fisheries talks.

South Korea and China will hold a fresh round of fisheries talks in Beijing during the latter half of the year to iron out differences over a variety of issues, said the officials.

An and 14 other officials from related government agencies attended the talks on the South Korean side while Yang Jian, deputy director general of the fisheries bureau of the Ministry of Agriculture, led the 10-member Chinese delegation to the fisheries talks.

#### **Nation 'Major' Importer of Vietnamese Manpower**

*SK1003090395 Seoul YONHAP in English 0836 GMT  
10 Mar 95*

[FBIS Transcribed Text] Seoul, March 10 (YONHAP)—South Korea has emerged as the biggest importer of Vietnamese work force.

According to a report from the Ho Chi Minh Chapter of the Korea Trade Promotion Corp. (KOTRA) Friday, some 3,000 Vietnamese laborers came to South Korea from among the total 6,000 who were sent abroad last year by the socialist country's Ministry of Labor, War Invalids and Social Affairs and 37 manpower exporting companies.

The Hanoi government sent its workers to some 30 nations last year, including such major manpower importers as South Korea, Libya, Malaysia and Japan.

The total number of Vietnam's manpower export in 1994 represented a two-fold increase from the previous year, and this year the number is expected to reach 9,000, the report said.

The Vietnamese sent to South Korea are mostly working in the textile, paper, plastic, leather and electronic fields, a KOTRA official said.



Previously, the Vietnamese export of labor force had been made to its communist allies on a small-scale, but the Hanoi government began to accelerate its manpower export drive on the occasion of South Korean construction companies' importation of some 500 Vietnamese workers in 1992 to use them for the a great waterway project in Libya, the official explained.

The manpower export agencies in Vietnam, hoping to send more Vietnamese workers abroad, want South Korea to open its labor market wider, according to the KOTRA.

#### **Ministry Plans To Inspect Foreign Pharmaceuticals**

*SK1003001895 Seoul THE KOREA TIMES in English 10 Mar 95 p 3*

[FBIS Transcribed Text] Foreign-made pharmaceutical and cosmetic goods will come under extensive safety and quality checks soon.

The Health and Welfare Ministry has dispatched officials to six large cities—Seoul, Pusan, Taegu, Kwangju, Incheon and Taejon—to collect nearly 300 types of imported medicines and cosmetics circulating there by March 21.

The officials will purchase the goods at various spots including hospitals, clinics, wholesale markets, drug stores and cosmetic shops and deliver them to the state-run National Institute of Health for thorough examinations.

Popular items whose total imports are one million dollars or more yearly will be subjected to imminent examinations. But seasonal goods such as disinfectants and insecticides will also face examinations before their demand booms in summer, according to the officials.

Their examinations will focus on quality of ingredients, content, shelf life and packing.

Depending on the results of the annual checks, the ministry will ban sales of items found to be of inferior quality or poorer than domestic standards and order importers to scrap them.

Imported medicines have to pass through quality control only when they are first shipped to the country and there is a chance that those of inferior quality may be imported without additional checks.

"Our checks aim to stamp out inferior imported goods and also to improve the quality of goods sold here," said Pyon Hoe-yon, director for medicine policy at the ministry. "Foreign medicines and cosmetics are flooding the market since import barriers were lifted in the late 1980s."

Medicine imports totalled 72.1 million dollars last year. Cosmetic goods have made massive influxes since 1993 but the official data about their imports are not available.

#### **DP Continues Detaining Assembly Speakers**

*SK1003033595 Seoul YONHAP in English 0313 GMT 10 Mar 95*

[FBIS Transcribed Text] Seoul, March 10 (YONHAP)—The opposition Democratic Party (DP) is toughening measures to keep National Assembly Speaker Hwang Nak-chu and Vice Speaker Yi Han-tong at their residences to cope with such eventuality that the ruling party might attempt a blitzkrieg to get an election-related amendment bill passed in the legislature this weekend.

Members of the major opposition party stormed into the residences of the speaker and vice speaker early Monday [6 March] morning to keep them away from the National Assembly and in effect block the ruling party's possible attempts to railroad the amendment to the integrated election law through the legislature. The amendment bill prepared by the ruling Democratic Liberal Party (DLP) calls for banning the political parties from nominating candidates in the local elections of the basic administrative units—counties, smaller cities and wards in larger cities.

Despite its reinforced "vigilance" on the speakers, the opposition party is poised to keep in touch with the government party to produce a bipartisan negotiation involving the controversial amendment bill as well as to normalize operation of the parliament.

An official of the DP said Friday that the dialogue channel between the parties will be undertaken by their floor leaders—Rep. Hyon Kyong-tae of the DLP and Rep. Sin Ki-ha of the DP.

However, DP Spokesman Pak Chi-won emphasized that his party will block the speakers' attendance at the National Assembly without fail, predicting that this weekend will be a crucial period for the fate of the amendment bill.

"We are stepping up our unity in preparation for any blitzkrieg attempt on the bill," he said.



**Burma****Interview With Bo Mya on KNU Future**

*BK0903143995 Bangkok THE NATION in English  
9 Mar 95 p A4*

[Interview with General Bo Mya, president of the Karen National Union, by Yindi Loetcharoenchok; place, date not given]

[FBIS Transcribed Text] The KNU [Karen National Union] has suffered a big set back, politically and militarily, from the fall of its Manerplaw headquarters and Kawmura camp and from the internal religious split between the Buddhist and Christian members. What is the KNU future plan or strategy?

For the KNU revolution, we will do what we used to do. At the same time, we will try to reunite our villagers and civilians and to continue our struggle.

After the fall of Manerplaw and Kawmura, the KNU is in urgent need for political and military reforms? What are they going to be?

Our political objectives will remain the same as before, we don't really need a change for that. That is, we will fight for democracy and equal rights for all ethnic nationalities including the Karen nationality. As for our military strategy, we are going to use guerrilla warfare tactics to fight the Slorc [State Law and Order Restoration Council]. As the Slorc has acquired a huge stock of arms, weaponry and ammunitions and they can use them to attack us, we cannot construct a fixed or static military location or base.

But how effectively can the KNU carry out a guerrilla war against the Burmese army which has reinforced the border area with large number of troops and weapons?

We think if we use guerrilla tactics, the Burmese army will suffer higher casualties while we will suffer less.

The Slorc is using and trying to legitimize the breakaway Democratic Kayin [Karen] Buddhist Organization [DKBO]. How is the KNU going to deal with the situation?

DKBO is formed and organized by the Slorc, which is trying to divide us into two groups. The Slorc's objective is that they don't want to give us the Karen State. They try to manipulate and deceive our people, so that we will remain divided or split. All ethnic groups, which have signed a ceasefire agreement with the Slorc, have now found out that they can not discuss any political agenda with the regime. The Slorc told them that if they want to discuss any political changes in Burma, they would have to surrender and lay down their arms first. That is one of the conditions that the KNU cannot accept.

Is there any possibility that the KNU and DKBO will patch up?

Many of the KNU leaders and members do not want to join the DKBO but they were forced at gun point by the

Slorc or Burmese troops. Maybe we can persuade some of them to come back to join us. Some DKBO members joined the group because they don't know the politics behind the Slorc's creation of the DKBO. They don't know that the dispute and split (within the KNU) was actually initiated by the Slorc. The Slorc is cruel; they sent forces into refugee camps, raping women and looting their belongings. Moreover, the Slorc is not a legitimate government and they don't care about international diplomacy or community.

**What is the strength of DKBO troops and supporters?**

The Slorc said 8,000 villagers joined them. That is not true. DKBO is only a small unit of the KNU which had joined the Slorc. They lie to villagers that they are going to feed those who go back to Burma. Many of the villagers and refugees were forced by the Slorc and the DKBO to go back to Burma. They also lie to the world community that they need these people to rebuild the country. DKBO and the Slorc are bad people, that is why they can join hands together. Whatever they do is to oppress the people.

**How can the KNU stop the intrusions of the DKBO and Burmese forces into refugee camps in Thailand to harass the refugees?**

The refugee camps are in Thailand so we cannot really take care or assume full responsibility for them. We hope the Thai government will be able to handle the problems. If the Thai government gives us the authority and opportunity to take care of the problems, we can handle them. I would like to request Prime Minister Chuan Likphai to please provide security protection for the refugees. The Slorc will try to force the refugees to go back. They will try to lie to the world that these refugees were suppressed by the KNU and will ask them to support and give assistance for refugees inside the country. Whatever they do, is just a lie.

**Thai Army Commander-in-Chief General Wimon Wongwanit said recently that the Slorc should crush the KNU. He also mentioned that it is good that Kawmura and Manerplaw fell to the Burmese Army, as peace can now prevail along the Thai-Burmese border and that the KNU can now enter peace talks with the Slorc. What is your opinion?**

Talking about peace in Burma, we have never rejected peace talks with the Slorc. But what we want is genuine lasting peace in Burma, not just a ceasefire. We don't want a temporary peace in Burma, but what the Slorc wants is just a ceasefire or temporary peace. All ethnic groups which have talked with the Slorc did not know if there was going to be a permanent peace in Burma. I believe that the Slorc will sooner or later try to force these groups to surrender and lay down their arms. If the Slorc forces them like that, there will be no real peace in Burma.

**Prime Minister Chuan mentioned about a week ago that he wants to mediate in peace talks between KNU and the Slorc? What is your opinion?**



We have presented a letter to Prime Minister Chuan. We agree with whatever he said and what was published in the newspapers. It is our pleasure to talk peace with the Slorc. We sent the letter about three days after he (Chuan) said that. The Prime Minister has not yet replied to our letter.

Before the Burmese army resumed the military offensive against KNU last year, particularly directed at Manerplaw, both KNU and the Slorc nearly entered the first round of peace talks. Why didn't the peace talks place [as published]?

I met with the Burmese military attache to Bangkok. I told him that we want the meeting in a third country, but he said no. Later he told us that we could have the talks at the Burmese Embassy in Bangkok but the Burmese leaders in Rangoon rejected that. They had agreed first to (the venue) the Burmese Embassy, but they later rejected it. After that we agreed to meet in Rangoon, but they said we cannot do it in Rangoon. We had to do it in Moulmein. During our peace efforts with them, the Slorc started their military operations against us. The Slorc has also rejected the efforts of Buddhist monk, U Rewata Dhamma, who has offered to act as a mediator between the KNU and the Slorc.

Can Prime Minister Chuan serve as a mediator because the Slorc could reject him as well? What do you think the Thai government or Prime Minister Chuan could do to restore peace in Burma?

It is true that Thailand can only act as a mediator if both the KNU and the Slorc agree to it. But we believe that if Thailand really wants to, they can do it. If they put pressure on the Slorc, they can do it. But if they don't, it will not work. It seems the Slorc has no respect for Thailand and Thai authorities. They went into our refugee camps in Baw Naw and shot at our people. They try to make people see that it is only the DKBO forces who are doing this, but in fact the Slorc soldiers joined with the DKBO forces.

But can the KNU do something from inside Burma to prevent the DKBO and the Burmese soldiers from crossing into Thai camps to harass the refugees?

The camps are too close to the border, so they can just cross anywhere. The partition between the two countries is just a small and narrow Moei River, so they can cross at any time.

When will KNU hold a meeting to reform itself and to draw out a new KNU military and political strategy?

Not too long, in the next couple of days from now. The meeting is about our future plan, about our strategy in the future. We just had a meeting of the National Council of the Union of Burma and we have come up with a statement.

It seems the KNU is in need for friends especially from the ethnic groups? Have there been any contact between KNU and other ethnic groups?

Yes, we have contacts with the Mon, Rakhine, Chin, Karenni and also the Burmese students. We also have contact with the Kachin and Wa.

Is there any possibility of establishing a new ethnic front or reorganizing the existing National Democratic Front [NDF]?

We are trying our best to do it.

During the offensive against KNU, the Kachin issued a strong statement condemning the Slorc offensive? Has there been any contact between the two groups?

We have meetings with the Kachin. I sent my representative to talk with them, as it was not easy for me to travel even to meet journalists during the Manerplaw offensive.

My understanding is that the Kachin Independence Organization was already expelled from the Democratic Alliance of Burma [DAB]. Was it also expelled from the National Democratic Front?

It was not legally expelled from the DAB, and the NDF will not expel them. The NDF still has the same ethnic memberships—the Karen, Mon, Rakhine, Kachin, Shan, Karenni, Wa, Lahu, Palaung and Pa-O.

Is there any possibility that the NDF will hold a meeting?

It is not easy at this moment.

There have been a lot of talk and speculations that the KNU will have some changes in its leadership. Even the KNU issued a statement mentioning that. What will be the changes?

There will be changes in the 45-member KNU central committee. We are going to put more young people in it. That we still have to discuss.

The breakaway DKBO has accused the KNU leadership of discrimination against Buddhist religious practices and activities and that Buddhist members were not accorded same or equal rights like the Christian members. Even some KNU leaders and Burma watchers speculate a need of KNU structural reform—bringing in the younger generation and more Buddhist leaders. What is your opinion?

The Buddhist members are not oppressed by the Christians. It is the Slorc who started and spread the rumours. In our KNU leadership there are many Buddhist leaders and even in the central committee. People who work for the revolution must not give up. But some people who work for the revolution are just fake freedom fighters. When the times are good, they join the revolution and when there are bad times, they leave it (the revolution).

Are you discouraged or disheartened now that KNU has lost its Manerplaw headquarters and Kawmura camp?

We cannot give up. I don't feel discouraged at all, and neither do other leaders. If they really fight for the country, for their people, they will not feel discouraged



and they will not give up. People who feel discouraged or disappointed are just fake freedom fighters.

**Is there any way for the KNU to bring back their leaders who were kidnapped by the Burmese or DKBO forces, and those who defected?**

We have a way (to bring them back). We are doing the right thing. Slorc are just pretenders and one day the truth will prevail. The Slorc knows how to lie and deceive the people. They announced on radio that the fall of Manerplaw and Kawmura was the work of the DKBO and not the Slorc—that is a lie that they made up and showed to the world. We hope the world community will not be deceived by the Slorc.

**Are you discouraged or disappointed with the soft international reaction towards the resumption of the Burmese offensive against the KNU, especially the attacks on Manerplaw and Kawmura?**

Other countries only care for their own prosperity and their business interests. The Slorc has got a lot weapons and ammunitions from China. That is why they launched a massive military offensive against us. If the Slorc is not supported by the international community, they will not have money to come and fight us. I want to tell the world that because the Slorc is not for the people, I want to see the international community put pressure on them; stop providing them with arms and ammunition; and stop doing business with them.

**What should Thailand do?**

If Thailand wants to do business with Burma, they should help us to talk peace with the Slorc. If there is peace in Burma, there will be no problem in carrying out business in the country. Because they (Thailand) are pursuing "constructive engagement", we hope that the things they are doing will benefit both sides and not only one party. Thailand can be a mediator and with its "constructive engagement" policy with the Slorc, I hope they can do the right thing.

**What is your opinion about the signing of the purchase of natural gas from Burma and the laying of a gas pipeline through the Karen and Mon controlled territory?**

I hope that they will implement the project only after peace prevails in the country. I have no comment whether we are going to sabotage or obstruct the project. But because we are in a civil war, they should not be carrying out that project. We cannot guarantee that the fightings in the area will not affect the gas pipeline project.

**The Unocal company claims that there is no relocation or forced labour related to the project, and some US State Department officials said the US will outlaw the KNU like the Khmer Rouge if the Karen forces attack foreigners working on the project. What is your opinion?**

I just want to ask them a simple question. Who is actually the one who comes and gives us trouble? Who is creating the problem—the company or the KNU?

**What is the Slorc's next move?**

The Slorc will try to woo more people to return to Burma. At the moment, they pretend that they are supporting the Buddhist people, but in fact they just want to have a stable government.

**How is the KNU going to proceed with the peace talks with the Slorc? Will it be acceptable to the KNU, if the Slorc insists that the talks take place in Moulmein or Pa-an.**

The Slorc does not want us to have any mediator. If they don't want to have any mediator, we will have to proceed with the peace talks by ourselves. They told us we can meet anywhere in Burma. Yes, we can meet in Moulmein or Pa-an.

**Sayadaw Rewata Dhamma said he believes only the United Nations can put pressure on the Slorc for any political change for talks with ethnic groups?**

It seems like the United Nations cannot do anything either. So the KNU will have to do everything by itself.

**It seems the world community members were also unable to force any change in Burma. My understanding is that they have promised you support and assistance when you travelled overseas to meet them, but so far no concrete support has come in the KNU's time of need. What is your opinion?**

I know it already, but after the fall of Manerplaw (laughing).

## Cambodia

### Officials Attending Aid Conference in Paris

#### Ranariddh Leaves 9 Mar

*BK0903153395 Phnom Penh National Radio of Cambodia Network in Cambodian 1100 GMT 9 Mar 95*

[FBIS Translated Text] At 0900 this morning, a delegation of the Royal Government of Cambodia led by Prince Krompreah Norodom Ranariddh, first prime minister; and the princess left for Paris, France, to attend the third ICORC [International Committee on the Rehabilitation and Reconstruction of Cambodia] meeting, to be held on 14 March.

Seeing the delegation off at the airport were Samdech Hun Sen, second prime minister; His Excellency Ing Kiet, state minister and minister of public works and transport; other high-ranking of the Royal Government; and many ambassadors of various countries accredited to Cambodia.

#### Hun Sen Departs 10 Mar

*BK1003114295 Phnom Penh National Radio of Cambodia Network in Cambodian 1100 GMT 10 Mar 95*

[FBIS Translated Text] Samdech Hun Sen, second prime minister of the Royal Government of Cambodia, and his



wife left Phnom Penh at 1700 this evening en route to Paris in the French Republic to attend the international conference on (?Cambodia's rehabilitation and reconstruction). Seeing off the samdech second prime minister at Pochentong International Airport were His Excellency [H.E.] Ing Kiet, deputy prime minister and minister of public works and transport; H.E. Sar Kheng, deputy prime minister and co-interior minister; their excellencies the high-ranking civilian, military, and police officials of the Royal Government of Cambodia; their excellencies the people's representatives; and representatives of the French and Japanese Embassies accredited to the Kingdom of Cambodia.

### **Sihanouk Assesses Future of Khmer Rouge**

*BK0903134695 Phnom Penh REAKSMEI  
KAMPUCHEA in Cambodian 9 Mar 95 pp 1, 4*

[FBIS Translated Text] His Majesty King Norodom Sihanouk of Cambodia recently expressed his views on and gave an assessment of the future of the Khmer Rouge, saying that the Khmer Rouge will become a terrorist group with no supporters. On another matter, concerning a new opposition party, the king focused on the cooperation between Sam Rangsi and Prince Kromkhun Norodom Sirivut, who were ousted from the government, saying that this will be the only worthy opposition group.

His Majesty King Norodom Sihanouk talked about these matters in a recent interview with THE CAMBODIA DAILY in Siem Reap Province (parts one and two). The king said that in the past the Khmer Rouge had an ideology, leading the revolution for the benefit of the underprivileged. However, they have now become murderers and terrorists, burning down and destroying poor people's houses and villages. The Khmer Rouge will therefore have no chance of joining the national community.

Concerning the argument that the Khmer Rouge should be given a chance, the King Father stressed that there is no way out of the issue because the two co-prime ministers are against his idea of including a small number of Khmer Rouge in the Royal Government. The king gave another reason: the Khmer Rouge themselves also do not want to return to the national community unless the Prince Krompreah and Samdech Hun Sen are dropped.

The King Father pointed to the decline of the Khmer Rouge group, saying that Khmer Rouge defections are on the rise and adding that the Royal Government has granted Khmer Rouge soldiers and their families full amnesty and have included them into the Khmer Royal Armed Forces. The U.S. Government is also giving encouragement to the defectors by providing various food aids. However, the king is still suspicious whether the defectors were sincere or were Pol Pot infiltrators into the Army. The king cannot make a judgment on this issue. He only noted that perhaps the Khmer Rouge wants the Royal Government to feed people and wants

the Royal Government to feed Khmer Rouge defectors more than other people, who are Khmer Rouge victims. Myself, I focus on helping Khmer Rouge victims more than the defectors.

On the support for Khmer Rouge leaders, the king said that in Cambodia the Khmer Rouge have lost all their supporters. According to the king, the so-called support—students and some politicians who think that the Khmer Rouge should be included in the government—was just a deception of some persons who want to hinder the government. The Khmer Rouge have committed political suicide with the loss of the last supporters, namely, the lower classes. The King Father considered that the Khmer Rouge are just leftover terrorists, like bandits and outlaws in other countries.

In the king's view, once Pol Pot dies—Ieng Sary and Ta Mok are brutal Khmer Rouge army commanders while Son Sen and Nuon Chea are of no importance—this movement will be condemned and disappear. Being terrorists and bandits, they can delay the birth of a modern Cambodia. Western countries such as the United States are bent on helping our country, but we are victims of terrorism. The Khmer Rouge are cutting railroad tracks and bridges as happens in Europe and the Middle East. I can no longer support this group.

Concerning the setting up of a new opposition party, King Norodom Sihanouk said that there will certainly be an opposition group, but this will be from within FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia]. His Excellency Sam Rangsi is loyal, clean, very competent, and popular. Prince Kromkhun Norodom Sirivut, my younger brother, will join him. This is the only worthy opposition group that receives support from students, intellectuals, civil servants, and workers. However, these supporters are not that important compared with the supporters of Samdech Krompreah, Samdech Hun Sen, and Samdech Chea Sim. I cannot give my blessing to a new party. I recognize all parties as legitimate if they are not criminals. I cannot say that this party (Sam Rangsi, Sirivut) is a good one for Cambodia. If I say it is good, my son, the Prince Krompreah, and Samdech Hun Sen will be angry with me. However, there is one thing I can say: If they set up a political party I have to recognize it; as an opposition group, they have every right to set up a party and take part in the 1998 election.

The King Father reiterated: What I cannot do is to hold power. I will not violate the Constitution. However, in Cambodia there is a strange democratic system: the Royal Government has the power to use a loyal Assembly when it chooses. The French Government or president cannot be at ease because they have to face opposing political parties. It is the same in the United States; President Clinton cannot be at ease. But in Cambodia leaders can sleep well without any threat from the Assembly; and the Court is on the government's side.



The king's view on this matter is that, in principle, there is a separation of power among the executive, legislative, and judicial branches. In practice, however, we have only one side, that is, the Royal Government, the Assembly, the Court, the Police, and the Army; they are all together.

#### **Ranariddh, Swiss Envoy Discuss KR Activities**

*BK0903152495 Phnom Penh REAKSMEI  
KAMPUCHEA in Cambodian 9 Mar 95 p 12*

[FBIS Translated Text] Prince Krompreah Norodom Ranariddh, first prime minister, has said: The Khmer Rouge [KR] declared war on the Royal Government of Cambodia in 1995; in fact the Khmer Rouge have no capability whatsoever to back this declaration.

The prince krompreah said this at his residence on the morning of 7 March in answer to a question from the Swiss ambassador, who was paying him a visit. Blaisse Godet asked him to explain the activities of the Khmer Rouge, who continue to attack villages and communes, burn down houses, destroy roads and bridges, and shell townships in a number of provinces in western Cambodia. The prince krompreah added that the Khmer Rouge are not capable of doing anything to affect or destroy the Royal Government of Cambodia. Legally, the Khmer Rouge have already been outlawed by Cambodia's National Assembly; therefore, they are just outlaw bandits. The Khmer Rouge have no ability to win popularity among the Cambodian people. The Khmer Rouge issue is about bandits; the Royal Government has not really paid any attention to this. The biggest task of the Royal Government of Cambodia is to rehabilitate the country, which has been ruined by war for more than 20 years. The war the Royal Government is waging is against the poverty of people in rural areas.

The prince krompreah also stressed that the multiparty Royal Government of Cambodia is working together and cooperating well to build the country—particularly the two major parties, FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] led by him (Prince Krompreah Norodom Ranariddh) and the Cambodian People's Party led by Samdech Hun Sen. The two parties are cooperating and are leading and developing the nation. We hope the Royal Government of Cambodia will continue its work until the end of its mandate.

On the same occasion the prince krompreah asked Switzerland to continue providing assistance to Cambodia. He raised the issue of Cambodia's maritime border, which is being affected by Cambodia's neighbors. Cambodia does not yet have the ability to draft a sea law. The Royal Government has sent two officials to Paris to study sea administration law.

Replying, Blaisse Godet said that he has asked the Swiss Government to continue providing assistance to Cambodia and to provide specialists on sea administration law to help train Cambodian officials on drafting and implementing a sea law.

The prince krompreah also said that once the law is in place the Royal Government will hold talks on the maritime border with neighboring countries.

### **Indonesia**

#### **Minister Discusses U.S. Threat on Copyrights**

*BK0903060395 Jakarta Radio Republik Indonesia  
Network in Indonesian 0000 GMT 9 Mar 95*

[FBIS Translated Text] The U.S. threat to launch trade war against Indonesia for alleged copyright violation should not be viewed with pessimism. Speaking to reporters last night, Industries Minister Tunky Ariwibowo said the U.S. threat should be viewed in its proper context, like the earlier threat against the PRC, which was eventually settled amicably.

The minister said Indonesia must hold talks with and convince the United States that our country is paying sincere attention to the copyrights issue. He stressed that Indonesia must be firm and honest in enforcing existing intellectual property laws.

#### **Editorials View Impact of Dollar Depreciation**

*BK1003050395*

[FBIS Editorial Report] Three Jakarta Indonesian dailies—SUARA KARYA, KOMPAS and MERDEKA—carry editorials on 9 March commenting on the recent depreciation in the U.S. dollar.

SUARA KARYA's approximately 700-word editorial on page 5 notes that the U.S. currency depreciated again on 8 March, when the Japanese yen stood at 88.75 to the dollar. It also notes that from 17 February to 8 March, the dollar has depreciated 9.7 percent against the Japanese yen. The U.S. Federal Reserve and the other G-7 central banks have yet to pursue any measures to strengthen the dollar.

It adds: "There are objective reasons why the United States appears to be deliberately allowing the currency to depreciate. One reason is the U.S. effort to urge Japan to open its markets wider to U.S. exports, which resulted in a trade war. This did not bring about a satisfactory outcome; the U.S. trade deficit with Japan remains unsettled."

The editorial adds: "As for Indonesia, the country considers the dollar the major exchange for the rupiah. In fact, the dollar's depreciation could have a positive impact rather than a negative one. The dollar's depreciation could have a positive impact in the context of exports considering that Japan is Indonesia's largest export market. Indonesia will have to pay more for imports, however. A further rise in the price of imports from Japan is expected because Indonesia's imports are 'dominated' by Japanese goods—either in completed form or in the form of components. This means that the



dollar's depreciation provides an opportunity for Indonesia to diversify its import sources.

"Should the dollar continue to depreciate, it will have a negative impact on Indonesia with regard to the repayment of our foreign loans, including interest. We honestly do not know how much our foreign debts would amount to if they were not measured in dollar terms. Should the amount rise exorbitantly, the repayment installments in dollars for our foreign loans will definitely soar."

The editorial adds: "The question now is how long the dollar will continue to slide. In view of the U.S. attitude (including the Federal Reserve), we can conclude that the United States is seeking a new solution regarding its trade balance."

MERDEKA's approximately 500-word editorial on page 6 also notes the dollar's depreciation against the Japanese yen to its lowest since World War II. It says the Western media have blamed a financial crisis in Portugal for causing the dollar's depreciation.

The editorial says: "We should not be surprised by the Western media's constant habit of naming black sheep while hiding their mistakes and putting the blame on others. We can identify one issue—the entire global financial system has been integrated into a single international system that has further widened the gap among countries. Allow us to say that if the U.S. Federal Reserve were to cough, the other central banks would sneeze continuously. For example, if the Fed [preceding two words published in English] hikes interest rates on short term loans, even by half a percent, central banks worldwide immediately readjust interest rates for short and long term loans in their respective countries."

MERDEKA adds: "We, and in fact the whole world, will witness in the near future the 'birth of the white and black striped form of capitalism' with America as the parent. There is a possibility that the parent will rally all of its 'black and white striped siblings' worldwide to follow its course to its final resting grounds. This is another lesson to be learned from the historical myth of the downfall of a superpower's [preceding word published in English] economic success and financial power, which could be the fate of Third World countries in the future."

KOMPAS, in its approximately 900-word editorial on page 4, says: "The dollar's depreciation and the exchange rate for the Japanese yen have had a great impact on numerous Asian countries. As a result, the volume of exports from these countries is expected to rise. The price of Japanese exports will become more expensive. In view of this situation, the price of export goods from the Asian countries, excluding Japan, will become more competitive. Their exports may experience a sharp rise, with added profits that can be utilized to increase productivity through research and development and automation."

The paper adds: "The Japanese yen exchange rate will have an impact on several Asian nations that have foreign loans in Japanese yen. About 40 percent of Indonesia's foreign loans, valued at \$88 billion, is in Japanese yen. The amount for the repayment of Indonesia's foreign loans through installments will simultaneously rise. This was admitted by Ginanjar Kartasasmita, minister of state for national development planning and chairman of the National Planning Development Board, on Tuesday (7 March)."

It adds: "What should be done at a time when the foreign currency value remains unpredictable as a result of the flow of currency and capital becoming more dominant? It would be best to wait and let the developed and industrialized nations embark on a joint effort toward a wise decision."

### Editorials Draw Lessons From Barings Collapse

BK1003011695

[FBIS Editorial Report] Two Jakarta Indonesian dailies—KOMPAS and REPUBLIKA—carry editorials on 8 March dealing with the collapse of Britain's Barings Bank.

KOMPAS carries a 500-word editorial on page 4 entitled: "The Barings Case Convinces Us That Financial Issues Have Become More Complex." It says that the Indonesian central bank should learn a lesson from the Barings scandal because financial activities have become more complex and intricate. The daily says: "The central bank must be extra careful and fully understand modern banking operations so it will be able to detect anything not listed on the balance sheet. Of course, early detection will help avert financial disaster." The daily also urges ordinary people not to get involved in financial dealings they are not familiar with, such as derivatives. If they do know about it, they should have a thorough understanding of it and be extremely careful in their dealings. The daily admits that derivatives trading is already accepted in the financial world and Indonesia is also heading toward this practice. The daily concludes: "A bill on the operations of the stock market is currently being drafted. It would be good if several clauses of the bill are devoted to the operations of derivatives transactions."

REPUBLIKA carries a 450-word editorial on page 6 entitled: "Lessons We Can Learn From Barings." REPUBLIKA recalls that Indonesia had a similar experience five years ago when Duta Bank suffered losses in its foreign currency transactions. Deputy Director Iskandar Dinata was held responsible for the losses. He was later sentenced to eight years in prison and required to return the amount lost by the bank. The daily points out the similarity between the two cases—both bankers used public funds for speculative purposes. The daily calls for the adoption of restrictions to protect the interests of people who have deposited money in banks. The daily says: "These restrictions can be imposed through the introduction of several regulations that limit



the amount of transactions in proportion to the amount of funds owned by the bank. The authority of a bank executive should also be limited—he must not have wide-ranging powers to manage large amount of funds.” The daily concludes by saying that law enforcement officials, managers, and company owners should pay close attention to the Barings case because supervision of company operations is definitely necessary.

#### **Chief on Fewer ABRI Seats in Parliament**

*BK0803032495 Jakarta KOMPAS in Indonesian  
6 Mar 95 p 17*

[FBIS Translated Excerpt] Ujungpandang, KOMPAS—Speaking on Friday (3 March), ABRI [Armed Forces of the Republic of Indonesia] Chief Fiesal Tanjung stressed that a reduction in ABRI representation in the parliament from 100 to 70 will not have any impact on ABRI's role as the stabilizing and dynamic force for development. It was confirmed, however, that the number of ABRI representatives in parliament will be based on a national consensus.

The Armed Forces chief made the statement to reporters after attending an Id al-Fitr get-together celebration in Ujungpandang with the chief of staff of the 3d Division, the Ujungpandang police chief, and personnel from ABRI's 7th Wirabuana Regional Command. A number of ABRI leaders also attended Id al-Fitr prayers with members of the local community at the Karebosi Base.

On the previous night, the ABRI chief attended a get-together function with local community leaders and ulemas. On the occasion, the ABRI chief took the opportunity to present gifts to the ulemas and television sets to three district mosques.

The ABRI chief's statement was issued in connection with numerous questions asked by the public following President Suharto's recent call on the LIPI [Indonesian Institute of Sciences] to draw up a new election system and to study the possibility of reducing the number of ABRI representatives in parliament.

The ABRI chief said: “The reduction in the number of representatives will be based on a national consensus. ABRI representatives in parliament are expected to number around 70-75.”

Reporters asked: “Will the ABRI's role be affected?”

The ABRI chief replied: “Oh, no. We have already considered that issue.”

The reporters then asked: “Is the issue of transfers still prevalent within the ABRI?”

The ABRI chief spontaneously responded: “The issue has died down. Transfers have been carried out. All this is within the ABRI framework of the tour of duty and tour of area [preceding seven words published in English]. The ABRI provides experience, opportunities,

promotions, and transfers and it also makes preparations for its future generations.” [passage omitted]

#### **PDI Calls for 'Fundamental' Political Reform**

*BK0803032295 Jakarta THE JAKARTA POST  
in English 27 Feb 95 p 1*

[FBIS Transcribed Text] Jakarta (JP)—The minority Indonesian Democratic party (PDI) has called for fundamental political reforms, including amendments to the law governing general elections.

Party chief Megawati Sukarnoputri told journalists last night that her party welcomed President Suharto's recent commissioning of the Indonesian Institute of Sciences (LIPI) to study alternatives to Indonesia's current proportional representation electoral system.

Megawati was hosting at her home a breaking of the fast dinner which was organized by FKGMNU [Communication Forum of the Nahdlatul Ulama Youth Movement], a youth group which is part of the country's largest Moslem organization, Nahdlatul Ulama (NU), and several other nongovernmental organizations.

She said that should a new electoral system be introduced, there should be fundamental changes, including an equal say for all political contestants in the planning and the implementation of general elections.

She rejected claims that her party was worried that its performance might be weakened by a change in the electoral system.

“I'm not worried about that, but I think that we should keep on struggling to have everything conducted in accordance with Pancasila (the state ideology),” she said.

Megawati said that a first-past-the post system, widely said to be the sole alternative to the current system, is usually used in liberal societies, some thing which Indonesia is not.

“We should take into consideration factors such as how far the society has developed and to what extent democratization and openness are progressing,” she said.

Calls for changes to the electoral law resurfaced late last year as Indonesia's three political parties—Golkar [Functional Group], the PDI, and the Moslem-based United Development Party (PPP)—began preparing themselves for the 1997 general election.

The PDI and PPP have repeatedly sought amendments to the electoral law which they have claimed greatly favors the ruling party, Golkar. But their efforts to achieve reforms were blocked during the 1993 convention of the People's Consultative Assembly (MPR) by a Golkar-armed forces alliance. The MPR, the country's highest legislative body, usually convenes only once every five years following the general election.

Over 300 people, many of whom were student activists, as well as NU chairman Abdurrahman Wahid attended



the gathering. Poet and noted columnist Emha Ainun Najib and Kwik Kian Gie, chairman of the PDI Research Center, were also present.

Abdurrahman, popularly known as Gus Dur, rejected suggestions that the gathering indicated a wish on his organization's part to have a closer alliance with the PDI.

"No, I'm here in my personal capacity, not on behalf of the NU," he said.

Last night's gathering was the second breaking of the fast dinner in less than 10 days attended by both the controversial Muslim leader and Megawati.

Megawati said that more important than a change in the election system was the fair, intimidation-free conduct of elections, whichever system be used.

"It doesn't matter which system we eventually choose, ... unless it's conducted properly and in accordance with Pancasila, conditions will remain the same," she said.

### Philippines

#### Peace Talks With NDF Considered for Manila

BK0803121895 Manila THE MANILA CHRONICLE  
in English 4 Mar 95 pp 1, 6

[Report by Cynthia Lopez-Dee]

[FBIS Transcribed Text] Some sessions of the peace talks between the National Democratic Front (NDF) and the government may be held in the Philippines, the government's chief negotiator Howard Dee said yesterday.

Dee said this point was provided for in the agreement on security and immunity guarantees that was signed in The Netherlands Friday last week.

"Yes, there is that possibility," said Dee, when asked in Malacanang if there was a chance that the substantial part of the peace talks can be transferred in Philippine territory.

Tarlac Congressman Jose V. Yap (Lakas) [Lakas ng Bansa—Power of the Nation] supported Dee's view, saying the security and immunity accord was flexible enough to let the talks be held either in Manila or any country acceptable to both panels.

"There is a safety clause that says we can hold the talks anywhere, anytime, provided there is a mutual agreement between the parties," said Yap, a member of the subcommittee which prepared the groundwork for the signing of the agreement.

Yap said that even the venue of the talks could be changed, depending on the decision of both parties. For example, he said, the initial agreement that the first session of the talks should be held in Brussels could be changed.

The Tarlac congressman said the flexibility on the venue has been assured by the provision in the agreement which says that each side can issue its own identification cards for participants.

According to Rep. [Representative] Jesus Dureza, spokesman of the Philippine panel, the security and immunity guarantee (SIG) accord is "an important procedural agreement" which leads the talks to the formal phase.

Under the agreement, each party can issue its own identity [ID], and contain pictures, and other details concerning the ID can only be issued on a limited basis, depending on the number of the members, consultants, security or staff of the negotiating panels.

Dee said the chairmen of the two sides will have to agree on the number of IDs to be issued. The IDs will also serve as safe conduct passes.

"The issuance of the safe conduct pass will not infringe on the sovereignty (of the Philippines) because they are not issuing to us any safe conduct pass. We recognize in a manner each party has a right to issue its own ID which then is a safe conduct pass," Dee said.

Under the agreement, accredited negotiators and staff members of the NDF panel will also have the right to obtain passports from the Philippine Government.

Asked about the citizenship of Jalandoni, Dee said the government considers that issue closed. He said Jalandoni was appointed as chief negotiator of the NDF and the government accepts that.

"He was appointed officially by the NDF to head the panel, so for as long as he officially represents them, there is no reason for us to reject his appointment. He is recognized by them as official spokesperson so there is no need for us to question that," he said.

Dee said that the two panels will have to agree on two main points before the talks begin in Brussels. These are the sequencing of topics and the submission of final reports of the reciprocal working committees.

Under the Hague Declaration of 1992, a major framework of the negotiations, four committees are to be formed: human rights, international humanitarian law, socio-economic reforms, and political and constitutional reforms.

The last phase of the talks would focus on "disposition of forces" which includes discussions on armistice or possible laying down of arms.

#### Ramos Okays Travel Documents for NDF Leaders

BK0803142495 Quezon City DZBB Radyo Bisig Bayan  
in Tagalog 0800 GMT 8 Mar 95

[FBIS Translated Text] President Ramos has approved the processing of Philippine travel documents for communist leader Jose Maria Sison, his wife, and the



National Democratic Front [NDF] panel. The president gave his approval during a news conference held at the World Trade Center in Amsterdam.

Ramos said he has given the go-signal to the government peace panel to prepare the documents for Sison's trip. He also said this shows the government's sincerity in the peace talks. The president stressed that his administration would gladly welcome the return of Sison's group to the Philippines.

#### **Police Arrest Tarlac's 'Top' Dissident Leader**

*BK0903131295 Manila THE MANILA CHRONICLE in English 7 Mar 95 p 7*

[FBIS Transcribed Text] Camp Olivas, Pampanga—Tarlac's top dissident leader was captured by police operatives in Barangay [Village] Cutcut, Capas, Tarlac shortly before dawn last Saturday.

Chief Supt. Diony Ventura, Central Luzon regional director of the Philippine National Police (PNP), said yesterday that the suspect, Martin Policarpio, alias Ka [Comrade] Mart, carries a reward of P[pesos]80,000 for his capture dead or alive.

Police seized a .45 caliber pistol from the suspect who is listed in the dissidents' order of battle as the most ranking dissident team leader (DTL) in Tarlac province. He was captured under Oplan Sanduguan, the PNP's internal security operations launched early last January against the dissident.

Ventura said that the capture of Policarpio, 57, of Bamban, Tarlac, was the result of a month-long surveillance and intelligence operation launched by the Tarlac PNP command against dissidents.

He was held at the Tarlac provincial PNP headquarters where he disclosed the identities and areas of operations of some of the dissident groups in the province, Ventura said.

Since early last January when the Armed Forces of the Philippines (AFP) turned over to the police the operations and campaign against insurgency, the PNP has arrested six dissident terrorists in Tarlac, Bulacan, and Pampanga, effected the surrender of 31 others all over Central Luzon and 30 more remnants of the Hukbong Mapagpalaya ng Bayan [Freedom Fighters of the Nation] (HMB) in Pampanga.

Ventura said that his command has also launched a livelihood program for surrendered and captured dissidents to provide them with sources of income after their release papers are processed and approved.

#### **Ramos Reduces Tariffs on Cement**

*BK0903131095 Manila MANILA BULLETIN in English 7 Mar 95 p B-1*

[Report by Ellen S. Marcelo]

[FBIS Transcribed Text] Malacanang yesterday issued Executive Order [EO] No. 227, which allows a reduction in the duty of portland cement from 20 percent to 3 percent to step up importation as domestic production falls short of the demand.

Similarly, the duty on clinker was slashed from 10 percent to 3 percent, while the rate for pozzolan cement, from 20 percent to 10 percent.

The EO was signed by President Fidel V. Ramos on 4 March 1995, shortly before his visit to Europe and Middle East, in order to curb the artificial surge in cement prices owing to the upsurge in domestic market demand in the summer months.

Based on the directive, which was released yesterday, the 3 percent duty for portland cement, clinker, and pozzolan cement will be in place for two years until 1996.

The Philippine Cement Manufacturers Corp. (Philcemcor) earlier projected that domestic production this year will reach 250 million bags this year as against the demand of 288 million bags, based on a 20 percent growth.

Last year, the local cement producers barely caught up with the demand of 9 million metric tons (240 million bags) with the industry's actual production of 10 million metric tons.

The inter-agency committee on Tariff and Related Matters (TRM) originally recommended that the 3 percent duty on clinker would remain until the year 2003. This will be increased to 5 percent by the year 2004, according to the tariff schedule under the Common Effective Preferential Tariff (CEPT) scheme of the ASEAN Free Trade Area (AFTA).

Portland cement, on the other hand, will enjoy a 3 percent rate until 1997. This will be adjusted to 10 percent between 1998 and the year 2003, before it will be aligned to the CEPT schedule by the year 2004.

Pozzolan, which is only utilized for low-rise construction, will be slapped a 10 percent duty from 20 percent until the year 2003. This will further go down to 5 percent by the year 2004.

In the case of white cement, the duty will remain at 20 percent until 1996. This will be subsequently reduced to 10 percent between 1997 and the year 2003, after which, it will be pegged at 5 percent by the year 2004.

Cement prices have gone up to as much as P[pesos]130 per bag from a range of P105 to P109 per bag at the start of 1995 mainly because of the tight supply.

Although the Department of Trade and Industry has vowed check on the supply situation, notably the spiraling cement prices. The anti-profiteering law empowers the government to run after the retailers who jack up their prices by at least 10 percent from the prior month's level.



Early this year, the Board of Investments (BOI) already urged proponents of new cement plants to accelerate the implementation of their projects on the pipeline with estimated cost of P106.7 billion.

The cement importation is expected to augment the very thin buffer and help curb the rising prices of cement while the industry is building up its capacity to a comfortable level.

The new capacities will be necessary to ensure that the growth of the construction industry in the short and medium terms is not stymied due to the lack of cement.

### Thailand

#### U.S. Military Presence Called Security 'Ballast'

BK0903113795 Bangkok *THE NATION* in English  
9 Mar 95 p A 4

[Editorial: "U.S. Can Provide Security Ballast in Tumultuous Time"]

[FBIS Transcribed Text] When US President Bill Clinton manages to break free from the self doubt and double-guessing that have plagued his first term, he offers a glimpse of a leader with vision and common sense—even in areas as troublesome as foreign affairs.

Such was the case last week when he appealed to Americans to reject the arguments of "new isolationists" and instead stand behind his country's leading role in international affairs.

"The new isolationists are wrong," he said in his weekly address to the nation. "If we withdraw from the world today, we will have to contend with the consequences of our neglect tomorrow."

While Clinton appears to be speaking with the support of the American people—a recent survey found a record number of his countrymen back a strong international role for the US—he finds himself under attack and out of favour on Capitol Hill. From the "declinists" and "multi-lateralists" on the left, who believe that America lacks not just the strategic necessity but the resources and legal and moral authority to act on its own, to those on the far right who advocate abdicating from Washington's global leadership to concentrate on domestic affairs, there is little support among Clinton's peers for a strong activist American role. This all the more worrying because of Clinton's weak reelection prospects.

#### Shift of power

The world needs the ballast provided by a global American military presence. In Asia, one need look no further than the recent diplomatic spat over the Mischief Reef near the Philippines to see how quickly the balance of power can shift.

By taking over a shoal well inside the Philippines' 200-mile economic zone in the South China Sea, China

became the first country to 'intrude' on Philippine territory since Manila gave up its external defence deterrent with the 1992 ouster of US forces from the former Clark and Subic military bases. The base closures had then aroused fears in the region that China might now want to flex its muscles over its claim of the Spratly Islands, which it claims in their entirety.

Those anxieties were further fueled on Sunday when Chinese Prime Minister Li Peng singled out the need to defend China's "sovereignty, territorial integrity and maritime rights" during a speech outlining a 21 percent increase in defence spending for 1995.

The plan would raise Chinese spending on national defence to 63.1 billion yuan (\$7.51 billion), marking the sixth straight annual increase, despite the end of the Cold War.

#### China threat

China persistently says it will never be a "threat" to any other country, but by its very size and closed style politics it remains an unsettling presence, especially as it goes about its way steadily building up a blue-water navy capable of operating far from its shores and exploring the possibility of acquiring its first aircraft carrier.

The conventional wisdom is that there is currently no arms race in Southeast Asia, but a buildup reflecting the region's prosperity, which allows such spending.

But if this growth in arms spending is allowed to take place in a power vacuum left by a perceived US withdrawal then it could lead to instability, especially if emergent regional powers were tempted or forced to fill it quickly.

For the present, Washington appears committed to the region. The US Defence Department's East Asia Strategy Report, released last week, commits the US to maintaining a 100,000-strong military force in East Asia and the Pacific despite deep arms spending cuts at home bases. It marked a welcome reversal of an earlier plan to gradually cut the US troops deployed in and near East Asia.

Ideally, what is needed is not a US presence that balances China's growing might, soldier for soldier, missile for missile, but one that provides the security and stability for all of the nations in Asia Pacific to prosper and grow. The size of China's military forces is not so much the point concern here, but rather Beijing's intentions.

As such, it is up to all of Asia to impress on China the importance of stability to economic growth, including its own.

#### Prime Minister Chuan Arrives in Cologne

BK0903071495 Bangkok *BANGKOK POST* in English  
9 Mar 95 p 6

[FBIS Transcribed Text] Prime Minister Chuan Likphai arrived in Cologne yesterday with a delegation of 76 public and private sector representatives on a three-day visit to Germany.



Among those with Mr Chuan were Deputy Prime Minister Suphachai Phanitchaphak, Foreign Minister Krasae Chanawong, Finance Minister Tharin Nimmanhemin, Sumet Tantiwetchakun, secretary-general of the National Economic and Social Development Board and Chokchai Aksornan, chairman of the Federation of Thai Industries [FTI].

Mr Krasae said the visit focused on international trade and German investment in Thailand. The main aim of the European trip is to attend the World Summit for Social Development in Copenhagen, Denmark.

Among Thailand's exports to Germany is frozen squid, and the agencies concerned should promote food exports to Germany, Mr Phaibun said.

FTI chairman Chokchai said that the federation will hold talks on human resource development with the German Government, which has helped set up a Thai-German technical training institute in Thailand.

#### **Doctors Say King's Condition Improving**

*BK0903160995 Bangkok Radio Thailand Network in Thai 1200 GMT 9 Mar 95*

["Statement No. 2 issued by the Royal Household in Bangkok"—read by announcer]

[FBIS Translated Text] The king's condition at present has improved steadily. He has been able to eat and sleep to the satisfaction of the panel of doctors which have been treating him. The panel will continue to monitor the king's condition.

#### **'Enough Evidence' To Extradite Thanong to U.S.**

*BK0803034595 Bangkok THE NATION in English 8 Mar 95 p A8*

[FBIS Transcribed Text] The Criminal Court yesterday heard that there was enough evidence to justify an extradition suit against former Chat Thai MP Thanong Siriprichaphong who is wanted by the United States on drugs charges.

"The evidence is compelling enough to justify the extradition under the conditions set by Section 2 of the Thai-United States extradition treaty," said a Foreign Ministry legal affairs official who is the case's first state witness.

Wirachai Phalasai, from the Treaties and Legal Affairs Department, also said that the requested extradition was based on the two countries' diplomatic agreements and the US has fulfilled the necessary conditions.

US authorities have filed a suit against Thanong after a district court in California indicted him on charges of smuggling more than 10 tonnes of marijuana into the country between 1973 and 1987.

To facilitate his extradition the US has supplied Thai authorities with a copy of the warrant for Thanong's

arrest and the testimonies and depositions from his indictment. Wirachai testified that these documents are all that is needed to justify Thanong's extradition.

Wirachai said that Section 8 of the Thai-US Extradition Treaty requires that an extradition needs the approval of authorities from both countries, a condition which was satisfied after the Cabinet gave the go-ahead for Thanong's extradition in January this year.

He told the court that US authorities also supplied the Foreign Ministry with pictures of Thanong posing as another man known as Thai Thony.

The US authorities claimed that the Thanong case has not been invalidated by the statute of limitations, nor by Section 7 of the treaty, Wirachai testified.

Thanong was found guilty by the US court of conspiring with three other people to smuggle drugs, after the other three pleaded guilty and turned state witnesses, Wirachai said.

However, Thanong dismissed the evidence given by the US authorities to their Thai counterparts while talking to reporters during the noon recess.

The case was first filed with the US courts in 1973, when he was in college and had not yet completed his studies, he claimed.

Thanong questioned why the US authorities, if they tracked him for 20 years, did not produce any concrete evidence. He attempted to substantiate this line of argument by telling reporters that the picture the American authorities used in the warrant for his arrest was a recent one taken when he was a Chat Thai MP.

Under cross-examination later in the day, Thanong's lawyer Prachum Thongmi got Wirachai to admit that the alleged drug running by Thanong occurred before the Thai-US extradition treaty came into effect.

#### **Paper Says Yakuza Opening Office in Phatthaya**

*BK1003012495 Bangkok KRUNGTHEP THURAKIT in Thai 9 Mar 95 p 2*

[Editorial: "Yakuza Gangs Are Now Extending Their Influence From Japan to Thailand"]

[FBIS Translated Text] No one is surprised at the Japanese police delegation's visit, during which they sought cooperation from the Thai police in keeping a close watch on the movements of the so-called "Yakuza" crime syndicate in this country. The Yakuza gangsters have long been using Thailand as a place to carry out their criminal activities, such as the international flesh trade and drug and weapons trafficking.

This Japanese crime organization has been operating a worldwide network with tremendous financial resources. Although the Japanese authorities know all the Yakuza bosses, they are unable to take any legal action against them because these people never leave any evidence of



their wrongdoing. Therefore, there is no way to rid Japanese society of the Yakuza. On the contrary, they are now expanding their influence all over the world.

A number of Thai nationals are reportedly now working for the Yakuza in luring Thai women into prostitution in foreign countries, including Japan itself.

Members of the Yakuza crime syndicate normally disguise themselves as tourists travelling back and forth between Japan and Thailand. They are replaced when they become familiar to and are recognized by the immigration officials.

The Yakuza is reported to have set up its branch office in Phatthaya resort town of Chon Buri Province. This unconfirmed report is, however, a sign of the expansion of the influence of this crime syndicate into Thailand. The Yakuza can really cause grave concern for Thailand if it can set down roots on Thai soil. Thailand will then be plagued with a rising crime rate. With its vast financial resources, the Yakuza is capable of recruiting a large number of Thai nationals to join its unscrupulous operations here.

Everyone knows that most Thai women who go to Japan do so to work in the sex industry. Phatthaya can be the best place in the world for the Yakuza to recruit women, either on a voluntary or coercion basis, for its flesh trade.

Since the Thai police do not know much about the Yakuza, the visit to Thailand of the Japanese police delegation is a good opportunity for them to learn about the Yakuza's tactics and tricks.

It is recommended that the Thai police regularly exchange views with their Japanese counterparts on this matter. If necessary, the Thai police should themselves go to Japan to jointly work out with the Japanese police an effective strategy for the suppression of the Yakuza before it successfully establishes itself in Thailand.

Thailand is also a country of "godfathers." However, nobody knows if the godfathers are capable of operating such a crime syndicate or not. We cannot take this matter lightly because as towns grow bigger, our officials find it more difficult to maintain social peace and order and guarantee safety for the people. Hence, a crime syndicate can also come into existence. Therefore, it is necessary to make efforts to prevent such a scenario.

It is easier to start working now before it is too late.

#### **Coalition Rift Seen Leading to Early Elections**

BK0903074795 Bangkok BANGKOK POST in English  
9 Mar 95 p 4

[Article by "Post Reporters": "Rift in Coalition Parties May Lead to Snap Election"]

[FBIS Transcribed Text] Since the Chuan IV government was formed by bringing in the Chat Phatthana Party to replace the New Aspiration Party, there have

always been warning bells sounded by critics that the new coalition will not be able to work together.

Starting a new government with only a two-year term left is not something that any government should venture into if it had a choice. And right from the beginning the Chuan IV coalition began to have conflicts among the three largest partners—the Democrat, Chat Phatthana and Phalang Tham Parties [PDP].

Adding fuel to the fire is the opposition and the situation as it is now lead many people to think that the squabbles, that started with junior party members and snowballed to senior MPs [Members of Parliament] and ministers, can only lead to a dissolution of parliament and an early general election.

Chat Phatthana has spearheaded the attack against the Democrat Party over the So Po Ko 4-01 land reform scandal while it was in the Opposition and forced two responsible Democrat ministers to resign. But they did not stop when they joined the government and Agriculture Minister Prachuap Chaiyasan, his secretary Cham-long Khrutkunthot and Group 16 member Phairot Suwanchawi, all began to maneuver the issue at the Democrats' expense while Chat Phatthana leader Gen Chatchai Chunhawan kept quiet as if he is giving the "green light" to his people.

The party was able to earn political points on the issue while the Democrats kept losing their credibility. Both Mr Prachuap and Deputy Agriculture Minister Churin Laksanawisit tried to maneuver the land reform issue as much as they could to the advantage of their own respective parties.

Chat Phatthana also quietly created a scandal in the project to provide milk to school children nationwide which has been found to be mismanaged and possible corruption at official level.

The unstated aim of the Chat Phatthana in undertaking all these movements is reflected in a speech that party deputy secretary-general Suwat Liptaphanlop made to a political gathering in Nakhon Ratchasima:

"I'd like to tell all politicians at the municipality and provincial level that there is a difference between having a prime minister who is a Khorat man and one who is from somewhere else. At the next general election all that is left for us to do is to push for Gen Chatchai to become prime minister again," Mr Suwat said.

And it is possibly towards this end that Chat Phatthana had chosen to break the agreement with the Opposition not to join the government. They wanted to be in office so as to get better political credits and achievements so that they can woo the voters in the next general election.

Their next target would be to speed up political changes, preferably a dissolution of parliament.

Seeing the direction with which the political situation is heading, the PDP also had to do something or it would



be destroyed at the next polls because its popularity has seriously dipped following internal party conflicts. It had to win some political recognition in case Parliament would be dissolved suddenly and left with nothing to boast about.

For this reason Chaiwat Sinsuwong, a PDP member, dropped his bomb shell by charging that some coalition party was making millions in illicit support for the oil smuggling operation in the South. Though he did not mention anyone by name it was a clear reference to the Democrat Party because it is in charge of relevant agencies dealing with the issue and because the South is dominated by Democrat MPs.

Democrat Party director Sanya Sathirabut shot back with a counter allegation of corruption at the BMA [Bangkok Municipal Administration] over bidding for a garbage removal contract. A key Democrat figure is also directing news leak about alleged PDP corruption at the city hall in connection with its microbus and boat services.

Mr Suthep Thuaksuban, the former Democrat deputy agriculture minister, also told a party seminar in Phuket that the reason the PDP named billionaires Thaksin Chinnawat and Wichit Suraphongchai as their ministers was because of financial contributions the two would generate for the PDP to fight the next election.

These are quite serious counter charges for two political parties which had formed the Chuan government since the beginning. But both of them have their electoral bases in Bangkok and are rivals. The Democrats have always made parting shots at the PDP handling of the traffic management work when they embarked on their first year of office.

The Democrats, however got on so well with the former 11 PDP ministers that the temple faction accused them of falling under the spell of Mr Chuan and moved to successfully oust them though not before internal fighting destroyed the PDP credibility.

But the PDP's political games are rather unsophisticated and straight forward and subsequently end up at the short end of the stick visa-vis the Democrats. Major General Chamlong Simuang it seems does not have the character with which to handle the political acrobatics and come out on top of the Democrats. He will have to do something soon to impress the people of Bangkok since his party is in charge of various mega mass transit projects. But things are hard to move on that front and the PDP had to take positions on other fronts such as the land reform scandal and corruption in government.

But the Democrats had also been able to shoot back at the PDP and caused doubts about its own honesty and incorruptibility.

The Opposition of course stands to benefit from all this and all the various corruption charges filed against each other by coalition partners can be used to good effect.

Already various House committees under opposition control is investigating into the allegations many of which are sure to be brought up during the no-confidence debate against the government on the land reform scandal in May.

Some political analysts believe that the Democrats may dissolve parliament to escape the land reform scandal which it could not blame anyone else and on which it has not been able to convince the public of its honest intentions. But dissolving the House that way would only worsen the charges against the Democrats and it could backfire at the electoral booths.

It would probably try to hold out a bit longer first and try to win back some popular support, especially in key regions. This is one reason why it organised its first political rally in Trang to stir public support, answer land reform allegations and tell the people of the South to vote for Democrat and ensure them that Mr Chuan will again be their prime minister.

The Democrats have a systematic approach to gauging political mood and they will wait for the right timing to make their next big political decision whether it is a dissolution of parliament or another reshuffle of coalition partners.

In any case the political situation appears to be where a countdown has begun for the next general election.

## Vietnam

### Visit of Burma's Than Shwe, Delegation Reported

#### Official Welcome Described

*BK0903134395 Hanoi Voice of Vietnam Network  
in Vietnamese 1100 GMT 9 Mar 95*

[FBIS Translated Text] Dear friends: As already reported, Senior General Than Shwe, prime minister of the Union of Myanmar [Burma], and his wife arrived in Hanoi today on an official friendship visit to our country at the invitation of Prime Minister Vo Van Kiet and his wife.

Accompanying Senior Gen. [General] Than Shwe and his wife are Their Excellencies Lieutenant Gen. Khin Nyunt, first secretary of the State Law and Order Restoration Council [SLORC]; Lt. Gen. [Lieutenant General] Chit Shwe, minister of forestry; Lt. Gen. Thein Win, minister of transport and commander in chief of the Air Force; Major Gen. Soe Myint, commander of the Southern Military Region; Brigadier Gen. Abel, minister of national planning and economic development; Foreign Minister U Ohn Gyaw; U Maung Maung Lay, Myanmar ambassador to our country; and many other high-ranking officials.

An official ceremony was solemnly organized at the Presidential Palace Square to welcome Prime Minister Than Shwe, his wife, and the other distinguished Myanmar guests. Joining Prime Minister Vo Van Kiet



and his wife in welcoming the distinguished Myanmar guests were Foreign Minister Nguyen Manh Cam; Le Xuan Chinh, minister and chief of the Government Office; and many comrade members of the government. Also on hand to welcome the Myanmar delegation were many representatives of the diplomatic corps and international organizations in Hanoi. A large number of correspondents from Vietnamese and foreign news agencies, press organs, and radio and television networks was also present at the welcoming ceremony.

At 1500 sharp, the motorcade carrying Prime Minister Than Shwe, his wife, and the other distinguished Myanmar guests stopped at the Presidential Palace Square. Prime Minister Vo Van Kiet and his wife walked to the door of the car and cordially welcomed Prime Minister Than Shwe, his wife, and those accompanying them. A group of Ho Chi Minh vanguard teenagers presented fresh bouquets to His Excellency Prime Minister Than Shwe, his wife, and the other distinguished Myanmar guests. Prime Minister Vo Van Kiet invited Prime Minister Than Shwe to step on to the honorary stand in the middle of the square and a military band played the national anthems of Myanmar and Vietnam. After reviewing the Vietnam People's Army honor guard, Prime Minister Vo Van Kiet introduced Prime Minister Than Shwe to the Vietnamese cadres and foreign dignitaries on hand.

Speaking at a cordial reception following the welcoming ceremony, Prime Minister Vo Van Kiet expressed his pleasure at welcoming Prime Minister Than Shwe, his wife, and the other distinguished Myanmar guests. He said he regards the visit as a very important event aimed at strengthening the solidarity and friendship between the two countries as well as a very important contribution to the maintenance of peace and stability in the region.

On behalf of the distinguished Myanmar guests, Prime Minister Than Shwe expressed his gratitude to Prime Minister Vo Van Kiet and the Vietnamese Government for the warm welcome. He also hoped that the visit would further strengthen the friendship between the two governments and peoples.

Dear friends, this afternoon a government delegation led by Prime Minister Vo Van Kiet held talks with the Myanmar delegation led by Prime Minister Than Shwe.

#### **Paper Welcomes Visit**

*BK0903160895 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 8 Mar 95*

[FBIS Translated Text] On the occasion of the visit to Vietnam by Senior General Than Shwe, prime minister of the Union of Myanmar [Burma], and his wife, NHAN DAN carries an editorial today entitled: New Step in the Development of Friendly and Cooperative Relations Between Vietnam and Myanmar.

The editorial reads:

Lifting economic and trade relations to the same level as the existing fine political relations is the expectation and determination of the leaders of both countries. In order to develop the economic cooperation potential of both countries, leaders from the two sides have created opportunities for responsible ministries and sectors to pave the way for better mutual understanding and cooperation in suitable ways in various fields of agricultural product processing, precious timber, precious gemstones, oil refinery, tourism, culture, development of border and minority ethnic areas, and so forth.

Prime Minister Vo Van Kiet recently affirmed that the Vietnamese Government will try its best to nurture and develop the friendly and cooperative relations and trust between Vietnam and Myanmar on the basis of respect for national independence and sovereignty and noninterference in each other's internal affairs, equality, and mutual benefit. We sincerely hope that Prime Minister Than Shwe's visit will be a success and will accelerate the fine friendship and cooperation between the two countries for the cause of a prosperous Vietnam and Myanmar and in the interests of peace, stability, cooperation, and prosperity in Southeast Asia.

#### **Vo Van Kiet, Than Shwe Meet**

*BK0903153995 Hanoi VNA in English 1521 GMT 9 Mar 95*

[FBIS Transcribed Text] Hanoi VNA March 9—Prime Minister Vo Van Kiet this afternoon held talks with his Myanmar [Burmese] counterpart, Mr. Than Shwe just after his arrival in Hanoi for a five-day official visit to Vietnam.

Present at the talks were, on the Vietnamese side, Foreign Minister Nguyen Manh Cam, Minister and head of the Government Office Le Xuan Trinh, Minister of Forestry Nguyen Quang Ha, Deputy Minister of National Defence Nguyen Thoi Bung, Deputy Minister of the Interior Pham Tam Long, Deputy Foreign Minister Nguyen Dinh Bin and on the Myanmar side the first secretary of the State Law and Order Restoration Council, Khin Nuynt; Minister of Forestry Chit Swe; Minister of Transport and Air Commander-in-Chief General Thein Win; Minister of National Planning and Economic Development Gen. [General] Abel and Minister for Foreign Affairs U Ohn Gyaw and others.

Speaking at the talks, Prime Minister Vo Van Kiet welcomed Prime Minister Than Shwe's visit as an important event contributing to the strengthening and development of the traditional friendly relations and multi-faceted cooperation between the two countries as well as to the trend of peace, stability and cooperation in the region.

The Myanmar prime minister said that his visit would contribute to strengthening the bilateral relations as well as peace and stability in the region.



The two sides expressed satisfaction at the rapid and fine development of their friendship and multi-faceted cooperation, particularly since Prime Minister Vo Van Kiet's Myanmar visit in May 1994.

They reaffirmed their determination to implement the signed agreements, aimed at promoting the cooperation, mutual assistance, exchange of experience in various fields such as forestry, agriculture, precious stone, drug control, culture, education and oil and gas industry.

They highlighted the fine results of the first meeting of the Vietnam-Myanmar Joint Commission for Bilateral Cooperation and the cooperation documents to be signed during the Myanmar leader's visit, thus contributing to further developing bilateral cooperation in the coming time.

Exchanging views on international and regional issues, the two sides agreed that the trend for peace, stability and cooperation in the region is being developed and expressed their determination to cooperate in order to promote this trend.

The Myanmar side highly valued Vietnam's joining in ASEAN in July 1995, and considered it a positive contribution to the cooperation and prosperity in Southeast Asia.

The two sides spoke highly of an agreement on sustainable development in the Mekong River to be signed in April 1995, and said that this would be a development of important significance for the promotion of cooperation among countries along the Mekong River's banks.

The talks took place in an atmosphere of friendship, mutual understanding and trust.

### **Implications of Joining ASEAN Viewed**

*BK0903135395 Kuala Lumpur Voice of Malaysia in English 0810 GMT 9 Mar 95*

[Station commentary]

[FBIS Transcribed Text] In July this year history will be created when Vietnam formally becomes the seventh member of ASEAN. It will also be the first for a communist country to join the regional grouping. Its membership will further mark the expansion of ASEAN toward getting all 10 Southeast Asian countries to join up. The other three include Cambodia, Laos and Myanmar [Burma]. Their celebrations might be the order of the day at the ministerial meeting in July in Brunei.

Vietnam's entry will only the beginning of yet another challenge for the 20-year old grouping. The biggest challenge, perhaps, is getting the Vietnamese economy to be on par with the rest of ASEAN. Vietnam had a slow start owing to the ravages of war but since then it has been recording impressive growth and has attracted numerous foreign investors.

The lifting of the United States economic embargo on Vietnam by the United States was a further shot-in-the-arm for the otherwise still fragile economy. Still, it is obvious that there will be a gap in the economies of ASEAN countries and that of Vietnam. This is a positive challenge for ASEAN as it tries to create the ASEAN Free Trade Area, AFTA. Vietnam will not automatically join the single free market. Naturally, ASEAN will make concessions to Vietnam so that it can catch up with the others. This is because Vietnam would need the transition period of several years, at least, between joining ASEAN and participating in AFTA.

Although Vietnam is an emerging market, there is still a long way to go for its economy to be liberalized. Several sectors of the economy are still state-controlled and the impossibility in the [word indistinct] with the objectives of cutting down tariffs under AFTA. There is virtual monopoly of companies by the state. These are areas where Vietnam has to undergo some changes and it is best that it does it sooner than later.

Nevertheless, ASEAN realizes that Vietnam cannot be pushed toward liberalization. After all, it took quite some time for other ASEAN members to achieve the goals they are enjoying today. The economic system in Vietnam does not allow for a rapid scaling down of tariffs. Still, time is not on Vietnam's side. It must endeavor to achieve growth on par with its ASEAN neighbors as fast as possible. Its markets must be opened at a faster pace so that it can join AFTA, thus allowing the people in the country to gain from the single regional market.

It is also important that Vietnam, as a communist country, does not bring the ideological conflicts. After all, it was such conflicts that led to the instability of Southeast Asia in the 50's and 60's.

These are all in the past and ASEAN must work toward a new and meaningful future. There is also much to be done in changing the hearts and minds of the Vietnamese people. They have to realize that their country cannot live in isolation but has to work together in this increasingly interdependent world. There is no turning back now for Vietnam.

### **Defense Minister, Delegation End Singapore Trip**

*BK1003023595 Hanoi VNA in English 1501 GMT 9 Mar 95*

[FBIS Transcribed Text] Hanoi VNA March 9—A military delegation led by Defence Minister General Doan Khue yesterday concluded its three-day official friendship visit to Singapore.

While there, the Vietnamese military delegation paid a courtesy visit to Prime Minister Goh Chok Tong who noted that the establishment of the relationship between the two armed forces would contribute to the further consolidation and development of the friendship and all-sided cooperation between the two countries.



The delegation also called at Tuas Naval Base and other military sites.

### **National Journalists Congress Continues**

#### **Do Muoi Addresses Congress**

*BK0903154495 Hanoi Voice of Vietnam Network  
in Vietnamese 1430 GMT 8 Mar 95*

["First part" of a speech by Do Muoi, general secretary of the Communist Party of Vietnam, at the opening of the Sixth Vietnamese Journalists Congress in Hanoi on 8 March—recorded]

[FBIS Translated Text] On behalf of the party Central Committee, I would like to extend my warmest greetings to the Sixth Vietnamese Journalists Congress [VJA].

Comrades, your congress is taking place at a time when our country is facing new and promising opportunities and great challenges. These challenges require all patriotic Vietnamese to be of one mind in their efforts to overcome them in order to make the renovation process a success. Against this background, the congress is an important journalistic event. The congress will determine orientations and tasks for journalists and unify their minds and actions so as to join with people nationwide in striving to fulfill this important undertaking.

On this occasion, comrades, I would like to express my views to you as follows:

Dear comrades, over the five years since the Fifth VJA Congress, our country's media has made considerable positive contributions to the common success of the people in the cause of national renovation. Meanwhile, the media itself has achieved extraordinary growth in various areas. Newspapers have increased greatly in number, although still not enough to meet the requirements of readers nationwide. It is fundamental and important that the press make progress in the quality of its news reports and forums and in the expansion of its forums to a large number of people of various strata. This has helped increase political stability, create a democratic and open-minded atmosphere in society, broaden friendly and cooperative relations with our friends worldwide, and spur the comprehensive process of national renovation.

The mass media have ensured the correct political orientations and a healthy trend among public opinion; heartily supported new things; upheld good models; promoted research and invention; encouraged positive factors from the time they were still in the initial stage; enthusiastically participated in the struggle against corruption, smuggling, and other negative phenomena; and brought to light many negative cases. For this they have won public sympathy, thus helping to consolidate the people's trust in the party, state, and regime.

Vietnamese journalists are also actively carrying out the tasks of disseminating party policies and lines and state

law and helping to improve people's intellectual standards, protect the interests of the nation and the people, safeguard the socialist regime, defend the correct things, and oppose all hostile allegations and all erroneous and unfair things that are against the law and human dignity.

On behalf of the party and the state, comrades, I heartily commend journalists nationwide for the achievements you have achieved over the years.

Despite these achievements, it must be frankly admitted that our press has also displayed many weaknesses in the past. Although newspaper reports are now more diverse, multidirectional, and copious than before, their militancy is in general not high enough and has yet to reflect fully and promptly the vivid realities of the revolution and the various aspects of social life. Newspapers still lack valuable investigative reports and efforts to discover problems and suggest activity plans. Their arguments are still not sharp enough and there are many aspects of activity that have weakened their role in guiding public opinion.

Information on international affairs still lacks selectivity. A number of papers, magazines, and television stations have at times disseminated irrelevant information, including information that runs counter to Vietnamese cultural traditions and character. In some rare cases, there have been news items and illustrations that were harmful to the national culture and promote violent, criminal, and sexual actions. Regarding the task of fighting negativity, there have been cases of inaccurate coverage and failure to rectify mistakes, thus creating difficulties for those who are responsible for handling the cases.

There are also obvious signs of commercialization [thuowng maij hoas] displayed by a number of press agencies. It is a matter of concern that in recent times a small number of journalists have given themselves over to personal interests. They have let their pens be influenced by financial wealth or let their personal prejudices prevail by distorting the truth. In committing these bad deeds they have caused confusion in the information task and distanced themselves from the most important of the noble ethics of journalism—truthfulness.

These are shortcomings and disorientations that need to be criticized and urgently rectified.

The prime responsibility of Vietnamese journalists today is to be loyal to the people in the struggle for the construction and protection of the socialist Vietnamese fatherland and for the interests of the country and the freedom and interests of the people. All publications, comments, and other journalistic activities should reflect these noble responsibilities.

It has come to my attention that over the past two years the Vietnam Journalists Association has been organizing widespread discussions on professional and moral ethics or journalism. This is an excellent practice. Through



discussion, each of us has an opportunity to compare the roles and responsibilities of journalists with our personal character and activities. Some common ethical norms have become popular values respected by all journalists, regardless of the papers they work for or the countries they live in. Journalists in our country are no exception. We need to manifest the moral values that represent our national character and progressive journalism.

The press can exercise a profound influence on public opinion. The responsibilities of press agencies and journalists to society, therefore, are very demanding. Journalists should always keep in mind their role as revolutionary combatants while fulfilling their social task of guiding the thoughts and deeds of readers and listeners. They have to be models in maintaining consistency in their words and deeds in order to be convincing to the masses.

Your conference will approve the convention on the professional and moral ethics of Vietnamese journalists. This will help create a more healthy environment for the development of the press in the right direction in accordance with our traditional culture and national morality as well as with democratic and progressive trends in the world community. The journalists association is a political, professional, and social voluntary organization of Vietnamese journalists. Your role and responsibilities in the development of our journalism are heavy, especially the demand of gathering and building the contingent of journalists and training and further training journalists in politics and professionalism to help them catch up with the development pace of the country as well as of world journalism.

In the past several years, the association has endeavored tirelessly to develop in that direction. Now you need to enhance your effort further. The body responsible for operational regulations should strive to enhance the efficiency of the association's activities. Each member of the association should actively contribute his or her mind and energy. The party and state will create favorable conditions to support the general activities of the association, but the main responsibilities of fulfilling your role and duties and developing the association rest with each and every member.

Dear comrades, why has the Vietnamese press achieved encouraging growth over the years? There are many reasons. The fundamental one is that there is genuine freedom of the press in our country. The Constitution, the press law, and other legal documents have institutionalized freedom of speech and freedom of the press. Journalists are free to practice their trade within the framework of the law. All citizens have the right to express their views on various issues before the public—ranging from raising their suggestions on law-building, the formulation of policies, and the administration of the country to giving their views and profound assessments of the activities of party and state organs and of various mass organizations—provided that their views are in line with the interests of the fatherland and the people.

Certain evil forces have often claimed that Vietnam lacks freedom of the press. This is nothing but a distortion. The fact is that the law in our country stipulates that all mass media organs must offer themselves as public forums through their newspaper columns and over the airwaves. If there was not genuine freedom of the press, how could people of various strata contribute tens of millions of suggestions within a short period of time on such extremely important documents as the draft constitution and various draft laws? In this regard, the party and state have tried their best to listen and have taken many appropriate suggestions into account to make timely amendments.

To practice freedom of the press fully and scrupulously, we must first answer this question: Of whom and for whom does this freedom exist? Freedom of the press has been created in the interest of the entire people, the country, and the new regime. This freedom of the press is of the people—those who are the masters of the country and their own destiny and who are united in building and defending their fatherland. We will never allow those who abuse the freedom of the press to cause disturbances and undermine our political and social stability, thus preventing our country from advancing along the path of development and integrating itself into the international democratic and progressive community.

It is our party and state's desire to create the conditions for journalists to exercise their right to press freedom more fully. You comrades must serve the people's right to be informed better. You must produce an increasingly abundant amount of diverse and multidirectional information in accordance with the nature and development of the facts. With your correct and timely assessments, you must help stabilize public opinion and continue to broaden public forums in order to welcome an ever-greater amount of suggestions from the people. As members of a free state, our people are allowed to exercise their freedom of information while respecting and guaranteeing the freedom of information of others. Freedom must be linked with discipline. Democracy must come within the framework of law. Freedom of the press must be linked with ethics and responsibility to the community. This is the true nature of freedom of the press in our country.

#### **Do Muoi Speech Continues**

*BK1003081795 Hanoi Voice of Vietnam Network  
in Vietnamese 2300 GMT 8 Mar 95*

["Last part" of a speech by Do Muoi, general secretary of the Communist Party of Vietnam, at the opening of the Sixth Vietnamese Journalists Congress in Hanoi on 8 March—recorded]

[FBIS Translated Text] The seventh national party congress, the midterm national party conference, and the resolutions issued by the party Central Committee and the National Assembly clearly outlined directions, goals, and measures to build a Vietnamese nation of peace,



independence, and development with the aims of a prosperous population, powerful country, and equitable and civilized society. The party Political Bureau has just issued a resolution on some major directions for the current propaganda work. This resolution refers comprehensively to the responsibility of mass media agencies.

In disseminating the aforementioned resolutions, the media plays the important role of an assault force to help strengthen ideological, political, and spiritual unity among the public so they may strive resolutely for the success of our renovation undertaking, fight our enemy's allegations and distortions, firmly preserve the ideological front of socialism, protect and develop Marxism-Leninism and Ho Chi Minh Thought, and strongly promote revolutionary movements in the world community.

The media must reflect real situations, participate in the review of practical circumstances, and create scientific foundations for the concretization and development of party and state lines and policies suitable to our new national specifications and today's world. It must contribute to clearly defining the advancing path of socialism and firmly protecting national independence, sovereignty, and integrity. These are the general and overall guidelines for media activity in the coming period.

To exploit its advantages, the media needs to motivate the entire public to practice frugality, concentrate all resources on development and investment, carry out national industrialization and modernization, and correctly implement and positively expand our multisectoral economy in the market mechanism under state management toward the socialist direction. It should introduce, recommend, and encourage exemplary cases; correct deviations; and propose concrete measures. It should urge further improvements in the state economic sector so that this sector can actually fulfill its leading role and work with the cooperative economy to build a foundation for the national economy and provide guidance and support for the development of other economic sectors. The press must actively contribute in the fight against illegal business practices, corruption, smuggling, and other social evils with accurate, speedy, and appropriate information. It must cooperate with related sectors to create an impact on public opinion. It must use education, prevention, and deterrence as goals in calculating its effectiveness.

The press must continue to pay proper attention to cultural and educational development. It must direct its efforts toward constructing a new society and nurturing reporters with a high sense of obligation as citizens; fine morality and lifestyle; good intelligence, health, and work capacity; a civilized and caring attitude; a full degree of patriotism; and a genuine spirit of internationalism.

Together with its efforts to study, research, and disseminate the best parts of the world—both East and West—the press must resolutely oppose alien products, especially those that have a harmful effect to youth. It must

absolutely treasure, preserve, and develop our traditional values, cultural characteristics, and national quintessence. Mass media agencies need to reflect the party and state policy of open-door external relations correctly to create favorable conditions for our national development undertaking.

In past years, despite many efforts, the external relations work of our press, radio, and television has been generally weak in many aspects. The government is trying to increase its investment in this field and establish regulations and policies to create better conditions for mass media agencies to fulfill this duty. The important thing, however, is that the press and journalists themselves regularly improve their work quality, content, and form to meet the demand and requirements of the readership. To help our press develop strongly, steadily, and correctly, we need to improve management work to help the press coordinate closely with party and state organs in submitting suggestions on measures to improve its material bases and structure, implement state policies on information and the press, and renew technology and upgrade the skills of the reporters. It is of special importance that the press actively participate in training and retraining its cadres.

Dear comrades, 70 years ago our beloved Uncle Ho set up THANH NIEN [Youth] magazine, which inspired patriotism among the public; united and mobilized the entire people to start a steadfast and indomitable struggle for national liberation; and introduced political, ideological, and organizational preparations for the birth of the Communist Party of Vietnam. After actively participating in different stages of our revolution—ranging from rising up to seize the government, resisting foreign invasion, building and protecting the fatherland, and carrying the current renovation—our revolutionary press has grown up and matured quickly to contribute a great deal to the common victories of the nation and establish a glorious tradition for itself.

Today, in carrying on that tradition,\* Vietnamese reporters should study to improve their knowledge in all aspects, enhance unity, treasure experiences from our predecessors, encourage and support our successors, build the contingent of reporters, and discover and train talented people so that our country will have more outstanding reporters that are loyal to the people's undertaking, capable in their profession, and active in their work with a firm political stance, fine characteristics, and a high level of professional skills to fulfill their noble duty in the new period. I wish your congress fine success.

#### **Congress Closes; Resolution Adopted**

*BK1003023195 Hanoi VNA in English 1501 GMT  
9 Mar 95*

[FBIS Transcribed Text] Hanoi VNA March 9—The Sixth Congress of the Vietnamese Journalists Association (VJA) closed here today.



Among those present at the closing session were National Assembly Chairman Nong Duc Manh, Deputy Prime Minister Phan Van Khai and other senior officials of the party Central Committee and representatives of various branches and ministries.

The congress elected a new 35-member Executive Committee which also held its first session and elected journalist Phan Quang as chairman of the VJA.

The congress also adopted the resolution of the congress, amended draft on the association's regulations and the draft convention on the Vietnamese press's virtue standard.

#### **Vo Van Kiet Meets With Southern Businessmen**

*BK0803151495 Hanoi THOI BAO TAI CHINH  
in Vietnamese 16 Feb 95 p 1*

[Report by Tran Dung]

[FBIS Translated Text] Recently, nearly 400 businessmen from southern provinces met Prime Minister Vo Van Kiet at the Thong Nhat Hall in Ho Chi Minh City to brief him on their business and production situation. They also told him about the difficulties and embarrassment caused by many unreasonable state management procedures and suggested improvements. Seven government ministries relating to industrial production, finance, commerce, investment, and so forth attended the meeting.

The managers of state enterprises candidly said that state enterprises suffer "disadvantages" in taxes and fees in comparison with private businesses. On the other hand, private businesses "complained" that they do not enjoy equal treatment in business and production compared to state enterprises. State enterprises cited the widespread shortage of capital for long-term and medium-term investment, while private businesses questioned about the allocation of export quotas, the designation of exporters and importers and the monopoly in import and export. Some state enterprises raised the issue of introducing a share-holding system in state enterprises and fixing a percentage of their capital when they set up joint ventures with foreign partners. They brought up the issue of investment cooperation for business expansion, procedures for investment loans, depreciation for machines and equipment, and state policies to encourage the change to new and modern equipment. They also inquired about state policies in granting medium and long-term loans, the reform in banking services at all levels, the increase of currency denominations to satisfactorily meet the demand of financial transactions and goods exchange, the mortgage of assets for bank loans, the formation of the export enhancement fund, import-export tax rates, and regulations allowing private business to participate in export to repay foreign debt.

While exchanging views with businessmen, Prime Minister Vo Van Kiet emphasized the contribution of all economic sectors to national development in conformity with the party and state's line and policy. Though the

country is fraught with difficulties and while state policies and management are still imperfect, the prime minister expressed his hope for all our businessmen to become more active in expanding their business and production, and in establishing themselves in the three national strategic economic centers of Hanoi-Haiphong-Quang Ninh, Ho Chi Minh City-Bien Hoa-Vung Tau, and Quang Nam-Da Nang-Dung Quat-Quang Ngai, and not to leave all key economic regions to foreign investors. The prime minister urged the businessmen to take more active measures to increase their capital resource so that they can develop and create a healthy capital market for themselves and become equal partners with their foreign counterparts. He clearly stated that the government would quickly solve problems and difficulties to help them to improve their businesses.

#### **Deputy Prime Minister Visits Finance Ministry**

*BK0803145895 Hanoi THOI BAO TAI CHINH  
in Vietnamese 16 Feb 95 p 1*

[Report by "B.H."]

[FBIS Translated Text] Comrade Pham Van Khai, member of the Political Bureau and deputy prime minister, paid a working visit to the Ministry of Finance on the New Year occasion. Deputy Ministers of Finance Nguyen Sinh Hung and Vu Mong Giao and other comrades who are directors of various general departments, services, and institutes under the ministry gave the deputy prime minister a hearty welcome. They expressed their great pleasure at the attention given to the financial sector by the party and the state. The deputy prime minister said: Last year the financial sector achieved encouraging development. Gross domestic product grew by 7.8 percent, the unemployment rate stood at 14 percent, and direct foreign investment was up by 60 percent. These were, however, just initial results which created premises for our country's economy to embark on a new stage of development which has greater difficulties and challenges. The deputy prime minister stressed: In 1995, the state budget will continue to be a burning issue. Right from the beginning of the year, the financial sector must intensify its supervision if it is to ensure adequate capital for expenditure requirements and to contain inflation rate at 10 percent. It must avoid printing more money for budgetary spending. The Ministry of Finance must unify its financial and monetary management mechanism, cooperate with banks in regulating the allocation of capital for investment in infrastructure construction, promptly draw capital from ODA [overseas development aid], and ensure the basis for building projects that have already been planned.

To create a wholesome environment for local enterprises, the Ministry of Finance must rapidly perfect its accounting system, and intensify its auditing and financial inspection of major, key enterprises. Deputy Prime Minister Phan Van Khai expressed the hope that the



financial sector will promptly consolidate and stabilize itself organizationally and enhance the unity and unanimity of its internal ranks to fulfill outstandingly all the duties entrusted to it by the party and the state.

**Ho Chi Minh City Development Plan Presented**

*BK0803161995 Hanoi VNA in English 1446 GMT  
8 Mar 95*

[FBIS Transcribed Text] Hanoi VNA March 8—A master plan for socio-economic development in Ho Chi Minh City to 2010 and a comprehensive development plan for the next five years have been worked out at a meeting held on March 4 in Ho Chi Minh City by the Municipal People's Committee.

The participants at the meeting noted that the city's master plan should be linked with the general development of other provinces and areas, and in line with the general strategy of the country. They also agreed that this master plan aimed to maximise the potential of all economics sectors and to draw foreign investment in the implementation of key projects and programmes.

Under these plans, the city expects to achieve the following targets: average per capita income is projected to increase by three times compared with 1990 GDP growth by 15-15 per cent per annum industrial output by 19-20 per cent exports by 20-22 per cent a year, and the population growth rate is expected to fall by 0.02 per cent and the rate of inflation to fall below 10 percent.



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